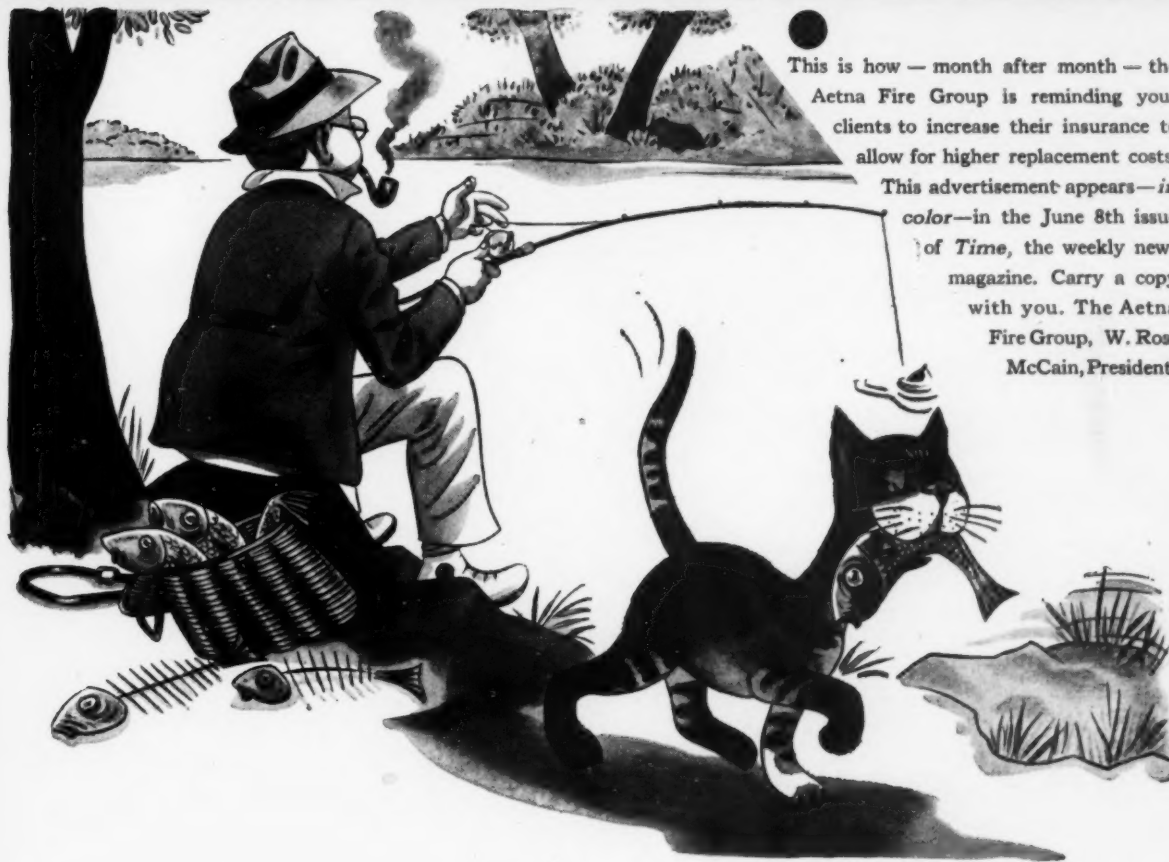


The NATIONAL UNDERWRITER



This is how — month after month — the Aetna Fire Group is reminding your clients to increase their insurance to allow for higher replacement costs.

This advertisement appears—in color—in the June 8th issue of *Time*, the weekly news magazine. Carry a copy with you. The Aetna Fire Group, W. Ross McCain, President.

don't turn your back on unexpected losses

You don't have to be fishing for trouble in order to find it. Sometimes it sneaks up on you.

And right now it's doubly important to guard against unexpected losses. A damage suit brought against you, for example, either as a result of an automobile accident or personal injuries sustained on your premises, might prove even more burdensome than usual. If your home and household property were destroyed by fire, the replacement costs would probably be far more than you paid for them.

Fortunately, it is a simple and inexpensive matter to modernize your

insurance to meet present-day conditions. Why not talk it over with your local agent or broker today? There is a representative of the Aetna Fire Group near you who will be glad to give you experienced, expert advice.

Remember, too, that insurance with a capital stock company such as those comprising the Aetna Fire Group is backed by both a paid-in capital and surplus. You are never liable for assessment.

Don't Guess About Insurance
—CONSULT YOUR LOCAL
AGENT OR BROKER

Since 1819 through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the Aetna to meet its obligations.

WARS	CONFLAGRATIONS	DEPRESSIONS
1846 Mexican War	1835—New York City	1819
1861 Civil War	1845—New York City	1837
1898 Spanish-American War	1851—San Francisco	1843
1917 World War I	1866—Portland, Me.	1857
1941 World War 2	1871—Chicago	1873
	1872—Boston	1893
	1877—St. John, N.B.	1907
	1889—Seattle, Spokane	1921
	1901—Jacksonville, Fla.	1929
	1904—Baltimore	
	1906—San Francisco	
	1908—Chelsea	
	1914—Salem	



The Aetna Fire Group

HARTFORD, CONNECTICUT

Aetna Insurance Co. • The World Fire & Marine Insurance Co. • The Century Indemnity Co. • Piedmont Fire Insurance Co. • Standard Insurance Co. of N. Y. • Standard Surety & Casualty Co. of N. Y.

THURSDAY, MAY 21, 1942

"SELL PROTECTION—NOT POLICIES"

Oh! See the man!

What is he doing?

He is blowing his own horn!

We are not much on
"blowing our own horn"
but if you are an agent
who believes in "Selling
Protection—Not Policies"
you cannot find a better
organization to help you
than "America Fore."



THE AMERICA FORE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER, President

FRANK A. CHRISTENSEN, Vice-President

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-sixth year. No. 21. Thursday, May 21, 1942. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 21

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 21, 1942

\$4.00 Year, 20 Cents a Copy

Strong Legislative Program Planned by Arkansas Agents

Will Hire Manager; W. B. Rearden Gives Optimistic View of Post-War Period

NEW OFFICERS ELECTED

President—Charles N. McNew, Jr., Pine Bluff.
Vice-president — Robert Maxwell, Texarkana.
Secretary-treasurer—C. C. Mitchener, Marianna.
National councillor — Van Howell, Fayetteville.

HOT SPRINGS, ARK.—Plans for suitable legislation on agents qualification and countersignature were made at the annual convention of the Arkansas Association of Insurance Agents here.



Van Howell

The association will appoint a full time manager shortly.

At the executive session members unanimously instructed the incoming administration to employ a full time manager immediately. C. C. Mitchener, secretary for 23 years and part time manager two years, was given charge of the finances with instructions to continue this function after the full time manager is employed.

The executive committee now includes L. R. Martin, Pocahontas; Steve Creekmore, Fort Smith; Tom P. Williams, Little Rock; S. T. Frank, Dumas, and W. E. Silliman, Camden. Van Howell, retiring president, automatically becomes the committee's chairman. The new president, C. N. McNew, Jr., is a member of the McNew Realty & Insurance Co., Pine Bluff.

Qualification and Countersignature

A resolution instructs the joint conference committee representing the association and the fire, casualty and surety companies, after all interested parties have been heard, to prepare qualification and countersignature laws for presentation at the next session of the legislature.

Incoming officers also were instructed to study the constitution and by-laws for the purpose of bringing them up to date. The necessary changes will be brought before the mid-year meeting, if one is held, or the next annual meeting.

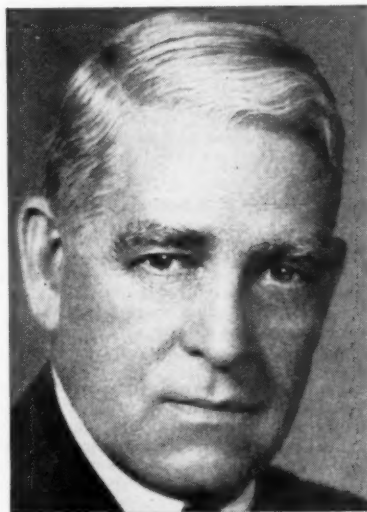
A vigorous campaign is to be conducted against the new Arkansas law that prohibits unauthorized practice of law, it was determined at the executive session. The law would cause considerable inconvenience to agents and

(CONTINUED ON PAGE 42)

Credit Section in Annual Meeting

Officers Are Reelected—W. A. Earls of Cincinnati Gives Address

Don C. Campbell, credit manager of America Fore in Chicago, was reelected chairman of the insurance section of the National Association of Credit Men at its annual meeting in Cincinnati. J. M. Eaton, secretary American Mutual Alliance, Chicago; T. A. Fleming, National Board, New York; J. D. Hall, assistant



W. A. EARLS

agency director U. S. Fidelity & Guaranty; H. J. Lowry, vice-president Michigan Mutual Liability, Detroit, and G. M. McClure, assistant treasurer Lumbermen's Mutual Casualty, Chicago, were chosen vice-chairmen; E. B. Moran, manager central division National Association of Credit Men, was elected secretary of this section.

A large portion of the afternoon session was given over to a general discussion by various people from the floor on what might be done to get the insurance men into more active prominent affiliation with the credit men and their organizations and how to get more credit men to attend the insurance section at the annual meeting of their National association. It was decided in addition to the officers to appoint two credit men to work with them in the development of closer relations between credit and insurance men.

Will A. Earls' Talk

Will A. Earls, Cincinnati local agent, gave a review of the program that might be used where insurance men meet with credit men. He referred to the weekly bulletin of insurance matters that goes to credit men from the Cincinnati advisory committee. He spoke about the insurance advisory committee in his city conducting a panel on insurance topics and recommended that this be done in other cities. Insurance men, he said, can get much useful data and information and relay it to credit men. If Mr. Earls were

April Losses Show Drop of 5%

NEW YORK—The National Board estimates fire losses in the United States last month at \$27,960,000, which is less by 8 percent than those for March, 1942, and 5 percent below the \$29,330,000 of April, 1941.

The aggregate losses for the first four months in the years 1940, 1941 and 1942, were respectively \$127,116,890; \$113,373,000 and \$124,849,000.

Insurance Salvage Is Not Subject to OPA Ceilings

In an order supplementing general maximum price regulations, the Office of Price Administration has excepted all sales or deliveries by companies engaged solely in reconditioning and selling damaged commodities received from insurance companies, transportation companies, and agencies of the government. Such companies or persons must be registered with and approved by the OPA as engaging solely in such business.

The OPA pointed out that such sales are made outside the ordinary channels of distribution, and will have no effect upon the normal economic structure. Sales of such damaged or partially damaged stocks of merchandise are of a sporadic nature, and because of the damaged nature of the merchandise bear no price relationship to sales previously made. Sales ordinarily are made to dealers or manufacturers whose prices are governed by the ceilings placed upon sales made by them.

The Underwriters Salvage Company of Chicago and the Underwriters Salvage Company of New York, Price Administrator Henderson has announced, have registered with the OPA and their sales are exempted from the price ceiling order.

A credit man he said he would want to know, first, the individual or individual concern owning the building, its construction, city protection, private protection. He would want to see the actual policies and know the values insured, the amounts of coverage, etc. He also stated that the data should come from an agency that had made a complete survey of the property. Insurance information, he said, should include fire, burglary, liability, boiler, use and occupancy, at least. He would be extremely careful of risks that had frequent fires and he would not be satisfied with merely a Dun & Bradstreet report.

H. J. Lowry, vice-president of Michigan Mutual Liability, who was on the program, is president-elect of the Detroit Association of Credit Men and he covered that city's council functions. W. F. Kuffel, assistant manager Phoenix of Hartford in Chicago, chairman insurance committee Chicago Credit Men's Association, spoke of the insurance course given to credit people of the association.

Mr. Earls is a director of the Cincinnati Association of Credit Men and acted as chairman of the convention golf tournament. It is expected that the 36 insurance advisory councils in 36 key credit men's associations will be doubled during the coming year.

Nebraska Agents Eye Qualification, Carrier Quality

Elect M. G. Volz President; Study Effects of War on Their Business

NEW OFFICERS ELECTED

President—Mathias G. Volz, Lincoln.
First vice-president—Irring R. Zerk, Omaha.
Second vice-president—C. M. Reed, Beatrice.
Secretary-treasurer—Thomas A. Bryan, Omaha.
National councillor—Joseph Barker, Jr., Omaha.

LINCOLN, NEB.—Changes in insurance selling and coverage, dislocations of values, increased hazards and multiplication of adjustment questions brought about by the war were treated at the annual convention of the Nebraska Association of Insurance Agents here.



Earle Ritner

In open forum discussions agents indicated they are concerned with selecting and retaining the right type of companies. Since 1930 a good many companies have gone under. Cut rate companies are still an important factor in underwriting, and while most of the companies have learned the lessons of the early thirties, there is the possibility that an agent may come down to his office one morning to find his agency representation diminished.

Mathias G. Volz, the new president, is associated with the First Trust Company, Lincoln. He succeeds Earle Ritner of North Platte.

J. G. Chambers, president of the Lincoln association, extended the welcome of the city to open the convention.

President Ritner said that war conditions had made necessary postponement of the membership drive. In spite of many agents who have entered service, the association roster shows a slight increase.

Agents' Qualification Law

Joseph Barker, Jr., Omaha, reporting for the executive committee, said that excellent co-operation between agents and companies was being secured in drawing up an agents' qualification law to be presented at the next legislative session. He recommended that the National association educational program be used in local groups of 10 to 50. He said it was not a state job, but one local boards should take up.

Speaking for the legislative committee (CONTINUED ON PAGE 14)

Loss Adjustments Reflect Insurance Problems of War

Changes in insurance coverage since the first world war are strikingly apparent when the loss problems of the adjuster then and now are compared, J. H. Burlingame, Jr., Western Adjustment, Chicago, said in his talk at the annual convention of the Nebraska Association of Insurance Agents. The extended coverage, riot and civil commotion, and the vandalism and malicious mischief endorsements, which did not then exist, provide broad and far-reaching protection. They extend the fire coverage up to the actual impact of war itself, and this the government now is preparing to insure. Improvements in use and occupancy, additional living expense and extra expense covers also are new.

Little experience has been had with losses under either the vandalism and malicious mischief or the civil commotion endorsements, although there have been countless hypothetical questions, he said. Manifestly there will be borderline cases, but when the functions of the War Damage Corporation are properly established, these borderline matters, Mr. Burlingame believes, will have been approached in a broad, liberal and constructive fashion, so that friction with the insuring public will be held to a minimum, if not entirely eliminated, and the scope of the three endorsements and the war damage coverage will be clearly defined.

Effect of Freezing Orders

Control of alien funds by Presidential executive orders has made it necessary for adjusters to inform insurers as to citizenship and nationality of insured, length of time insured has continuously resided in the United States, information, if any, that insured has acted for or on behalf of a blocked country since April, 1940, and circumstances indicating necessity for loss payments to relieve distress.

The freezing order does not permit an alien to use the courts to enforce payment, as one over-ambitious alien claimant who recently tried it found out to his disgust when he tried to collect six times the amount of his loss. The court very properly "blocked" his claim until the end of hostilities.

Samuel Levin, well known insurance attorney, Mr. Burlingame said, has covered the effect of "war time" on insurance very amply as follows:

"War Time" Governs

"By the recent adoption of the so called 'war time' the established standard time of each zone was advanced one hour . . . and the time so established is standard time until it is abrogated in the manner provided by the terms.

"In the absence of state statute to the contrary at the time and place where loss or damage occurs . . . under standard fire policies designating standard time, policies issued after the amendment of this law begin at noon according to standard time as therein provided and cease at noon according to the same time, which is one hour earlier than the previous standard time in the particular zone.

"Where policies have gone into effect at a date prior to the establishment of 'war time' but expire by their terms at noon during 'war time' they will cease to be in effect one hour prior to the previous standard time.

"By the same token, a policy which goes into effect while the present federal law is in force, but by its term does not expire until after the present law is abrogated and the previous standard time is reestablished, it will add one hour to the time when such policy expires."

The recently promulgated ceiling may serve to stabilize prices and thereby help the adjuster. Patently the ceiling price

of any commodity will be the limit an insurer can pay, he said. However, many manufacturers whose output has increased rapidly have overlooked the natural increase in inventory and have failed to protect themselves accordingly. In several property U. & O. claims made recently, assured were seriously underinsured, and suffered substantial losses from the coinsurance penalty. In a recent case, by reason of one new order, insured's anticipation jumped nearly \$750,000 overnight.

Perhaps the only safeguard is for the agent to keep everlastingly after assured so that all concerned may be wholly protected. The situation is aggravated, as has been demonstrated in three recent losses, because assured have bought ahead four and five times their normal stock, with resultant crowding of quarters and increase in fire hazard and extent of loss.

The problems of raw materials and priorities have not yet been fully felt, but the experience in losses involving them has not yet been unsatisfactory.

Raw Stock U. & O. Losses

Losses due solely to destruction of raw stock have been few and far between. In one pending case indications are that assured had long foreseen the possibility and promptly after the loss arranged to use substitute materials of equal or better quality and to use equipment of others not operating to capacity. In several other recent losses similar action has been taken, not only with benefit to the U. & O. coverage, but with salutary effect on the property damage insurance as well. New ways have been found to salvage damaged materials heretofore not deemed "worth the effort."

Mr. Burlingame is very much impressed with the ingenuity and resourcefulness of America and its business and industrial concerns. He suggested that when this war is over the country will be more nearly independent and self-sustaining than ever before.

Underwriters generally believe that U. & O. losses under priorities are bound to be more serious than in normal times. Strangely enough the largest loss to date hinged pretty much on the securing of a building of sufficient size, and again demonstrated that it is seldom possible successfully to use other premises. It takes too much time to get reorganized. Although it is perhaps too soon to judge the effect of priori-

Suggests "Modernized" as Name for N. Y. Form

Clark W. Smitheman, advertising manager of Camden Fire, writes THE NATIONAL UNDERWRITER as follows: "I am very much interested in your editorial comment, 'Another Name Wanted' for the newer New York standard fire policy.

"May I suggest that you popularize the use of the word 'modernized' in this connection. Certainly the 1942-1943 edition of the New York standard is more modern in its provisions than any other policy heretofore adopted and this terminology could be very easily popularized among the policyholders who are used to demanding the most up-to-date thing available."

ties on losses in non-defense operations, experience in some recent conflagrations indicates that no unusual difficulty is to be encountered in reconstruction if insured does not attempt additions or improvements. In defense plants the things various insured have accomplished are amazing.

In one recent defense plant fire two large precision grinders were badly damaged, and at any other time would have been scrapped. Delivery of new units was not possible short of 10 months, if then. The insured turned the "junk" over to a job machine shop, and in eight weeks with overtime both grinders were rebuilt and back in operation. A mine operator dependent on foreign equipment did not stop with fire, but devised a way to keep his tonnage up. A large rolling mill motor, badly damaged, was repaired and back in operation in 72 hours to continue turning out plates for ships.

Show Temper of American Industry

Present day underwriting and adjustment problems are grave, and adjusters know that the furious pace of the war industry will produce many disastrous losses, U. & O. and other sorts. However, these cases clearly reflect the temper of American industry under present conditions.

The fire insurance business must stand besides industry during the war and help to the utmost, Mr. Burlingame said. This will not be simple because today's conditions impose a severe strain on everyone. But if agents, field men and adjusters alike cooperate closely and face events with courage, judgment and patience, none of the good will that has been so laboriously acquired over the years will be lost. Rather, after the struggle, the place of fire insurance in the nation's business will be enhanced and more than ever secure.

New Courses Given at Indiana School

Fire and Liability Schedules Tried at Bloomington, Open Discussion Featured

By JAMES C. O'CONNOR

BLOOMINGTON, IND. — About 110 students gave the new fire and liability courses of the National Association of Insurance Agents their first test at the short course school of the Indiana Association of Insurance Agents here. The courses, given at Indiana University, called for 20 hours of intensive study and discussion and met with general approval.

The new courses are built around open discussions of two hours each, with a minimum of prepared remarks by the lecturer or discussion leader. The students quickly entered into the spirit and most of the sessions were halted at the end of the allotted time with difficulty. The program was heavy, running from 8:30 a. m. until 8:50 p. m. Monday and Tuesday, with short lunch and dinner periods. There was a two-hour review Wednesday morning, followed by the examinations.

Personnel of Faculty

The school was conducted under the supervision of J. Edward Hedges, professor of insurance at Indiana University, but all the discussions were led by insurance men. The discussion leaders in the fire section were O. M. Spaid, Newark, research and information division American of Newark; H. W. Mullins, Indianapolis, state agent National of Hartford, and J. C. O'Connor, Chicago, editor "Fire, Casualty and Surety Bulletins" of THE NATIONAL UNDERWRITER. Mr. Spaid substituted for F. W. Doremus, Rockford, western manager of the company, who was unexpectedly called to the home office.

W. J. Bremer, Chicago, assistant compensation and liability superintendent Hartford Accident, and H. D. Sherwood, Hartford, assistant supervisor agency field service Travelers, led the liability discussions.

Commissioner at Luncheon

Luncheons and dinners were served to the group in the Indiana Union building, where the discussion leaders and association officers were housed, but there were no planned programs. Commissioner Frank Viehmann was introduced at the Tuesday luncheon. Because he was suffering from eye trouble, his remarks were read by J. W. Spurgeon of the Indiana department.

Mr. Spurgeon discussed for Mr. Viehmann the Indiana agents examinations, explaining several cases of license revocation and asking for the cooperation of insurance men in bringing other cases to the department's attention. He read several sample examination questions and said that only 115 out of 539 applicants since last September had been able to qualify.

Scott in Attendance

George Scott, New York, educational director of the National association, was on hand to observe the results of the course. He went to Chicago after the school. H. E. McClain, Indianapolis, executive secretary of the Indiana association, handled the administrative details. F. C. Richardt, Evansville, president of the state body, and Chris Zoercher, Tell City, national executive committeeman were on hand throughout the city.

A telegram of good wishes was received from Ensign R. Michael Fox, formerly of Indianapolis, who was chairman of the school committee before he entered the Navy a few weeks ago.

THIS WEEK IN INSURANCE

Countersignature and qualification bills will be introduced in the next legislature by the **Arkansas Association of Insurance Agents**. **Page 1**

At the annual convention of the **Nebraska Association of Insurance Agents** members warn against representation of weak companies, plan for qualification law. **Page 1**

Don C. Campbell, credit manager America Fore, is reelected chairman of the insurance section of the **National Association of Credit Men**. **Page 1**

Fire control's vital role in war effort stressed at **National Fire Protection Association's** annual meeting in Atlantic City. **Page 3**

H. A. Clark, western manager of Firemen's, is reelected president and chairman of the board of the **Western Insurance Bureau**. **Page 3**

Jerome Van Wiseman is chief speaker at Vermont local agents meeting. **Page 3**

Kentucky Association of Insurance Agents is in session at Louisville. **Page 4**

Great new sales field opened by **Civilian Air Patrol** plan for compulsory P. L. and P. D. on civilian pilots participating in home defense flying. **Page 20**

Boiler and machinery manual is completely revised, including introduction of premium gradation plan, to be effective May 18. **Page 10**

New N. A. I. A. courses given first try-out at Indiana agents school at Indiana University. **Page 2**

Series of 32 district meetings to be held in June by **Illinois Association of Insurance Agents** to conserve rubber and save expenses. **Page 7**

Underwriting profit of stock casualty companies entered in New York last year was 5 percent and that of mutuals 19.3 percent, annual exhibit of National Bureau of Casualty & Surety Underwriters shows. **Page 21**

F. B. Alldredge retires as superintendent of accident and health department of **Occidental Life** at the home office to become general agent at Stockton, Cal., and is succeeded by A. D. Anderson. **Page 26**

Insurance is one of big topics at the convention of the safety and operations section of the **American Trucking Association** in Chicago this week. **Page 19**

Payments of benefits may be postponed to some future date if federal disability scheme is set up, W. R. Williamson of Social Security Board tells Actuarial Society of America. **Page 32**

William Leslie starts his seventh term as general manager of the **National Bureau of Casualty & Surety Underwriters**, being reelected at the annual meeting. **Page 32**

Vermont Agents Have Van Wiseman as Chief Speaker

No One Present Representing National Association of Insurance Agents

By RALPH E. RICHMAN

BURLINGTON, VT.—At the mid-year meeting of the Vermont Association of Insurance Agents in this city it was significant to the audience that no one was present or invited from the National Association of Insurance Agents to be its spokesman. However, Jerome Van Wiseman, who was recently dismissed from that body as director of public relations, was invited to be present and was the featured speaker at the banquet. In the notice of the meetings sent out by the Vermont association was a specially printed announcement on blue paper telling about Mr. Van Wiseman's forthcoming appearance and stating that owing to the recent news from the head office undoubtedly there would be great interest in his appearance and therefore the attendance should be large. Mr. Van Wiseman was invited to speak after the association officials read his statement when his employment was terminated.

Wills Endorses Criticism

In the presence of Governor Wills of Vermont who followed him on the program and endorsed his basic theme that insurance leadership had not come up to scratch in these war days, Mr. Van Wiseman spoke before the Vermont Association Tuesday evening. It was Mr. Van Wiseman's first public address since he left the service of the national organization. He referred to his present position and his dismissal only in stating that he could now speak "without pulling any punches and without the handicap of organization considerations."

His discussion dealt with all groups in the insurance business and their relation to its present and future developments. There was no mention of specific individuals, organizations or companies in relation to his recent leaving of the National association.

The insurance business, all elements in it working together, he said must take the offensive now in a war of its own, to solidify itself in public esteem or there may be no battlefield to fight on or anything left to fight for by 1945 or 1946. That the insurance business has thus far made no major adjustments in the current economic revolution was not a cause for congratulation but a reason for alarm, he contended.

Cites Maginot Line

Planes of destruction are already well behind the insurance Maginot line because the business has not prepared itself and is not now preparing itself to meet quickly the lightning like adjustments which should be made, he asserted.

One basic factor in the insurance picture not yet recognized, he said, is the relative position of insurance company assets today to government spending. Four billions of assets when federal government annual expenditures totaled 10 billion is one thing but 4 billion of assets when these same federal expenditures total 100 billion is something entirely different. Especially is this true when that expenditure is not for government administration but largely for production of goods. What that is already doing, he pointed out, is to make the indemnity part of insurance far secondary to the service part. Some of the indemnity requirements of present day projects are

(CONTINUED ON PAGE 12)

Clark Again Head of Western Bureau

C. D. James, Northwestern National, Is Elected as Vice-president

At the annual meeting of the Western Insurance Bureau at Skytop, Pa., H. A. Clark, vice-president and western manager of Firemen's, was reelected president and chairman executive committee. C. D. James, president of Northwestern National, was elected vice-president succeeding J. C. Hiestand, Ohio Farmers. W. S. Whitford, executive vice-president Millers National, was reelected treasurer and Fred C. Schad, secretary. F. S. Danforth and A. A. Krueger, Millers National, were reelected assistant treasurers.

The convention was held at Skytop Lodge, which is a private club and of which Thornton Rainey, former executive special agent of the North America, is manager. The Bureau people decided it was the finest and most artistic place in which it held a convention. It is 2,100 feet above sea level.

Norway Pictures Were Shown

Arne Fougner, vice-president Christiania General, who spoke before the Bureau meeting last year, showed some moving pictures of scenes involving the invasion of Norway by the Germans. These were most interesting.

The Bureau elected on the executive committee as associates of Mr. Clark, F. J. Breen, Standard of New Jersey; Lloyd W. Brown, Firemen's; J. C. Hiestand, Ohio Farmers; C. D. James, Northwestern National; C. J. Schrup, Dubuque F. & M.; E. E. Soenke, Security of Davenport; W. S. Whitford, Millers National, and W. E. Wollaeger, Concordia.

The Western Sprinkled Risk Association at its annual meeting elected Mr. Hiestand, president; Mr. Whitford, vice-president and treasurer; G. N. Porter, secretary and manager; Mr. Soenke and V. L. Gallagher, Pearl, vice-presidents.

The executive committee consists of Mr. Clark, R. R. Wilde, Corroon & Reynolds; R. W. Wetzell, Northern, N. Y.; Mr. Wollaeger, Mr. Gallagher, J. W. Knox, Corroon & Reynolds; Mr. Breen, L. P. Tremaine, Meserole group, Mr. Hiestand, Mr. Whitford, Mr. Soenke and Mr. Wollaeger.

Attorney Thomas Watters of New York City and Washington, D. C., and

R. R. Clark Heads W. A. Muller Co.

BOSTON—William A. Muller & Co., old established Boston insurance office, has elected Robert R. Clark of Hartford as president and chief executive.

Mr. Clark is former United States manager of the Caledonian group. He



ROBERT R. CLARK

recently retired from service with Caledonian under its retirement plan, and directors of Caledonian have approved his devoting his time to the interests of the Muller agency. Because of the intimate past connections between the Caledonian and Mr. Clark and the Muller office, Mr. Clark's assumption of the presidency of that firm has been a not unexpected development.

In 1908 Mr. Clark entered insurance in the office of W. A. Muller in Boston. In 1917 Mr. Clark, then in charge of the New England territory as general agent of Caledonian, appointed William A. Muller & Co. as Boston and metropolitan agent of Caledonian and established his own office with the agency where he remained until 1924, when he was called to the United States head

(CONTINUED ON PAGE 43)

Mrs. Watters were in attendance. Mr. Watters gave an informative talk on current problems.

New Illinois Department Offices



The new Chicago offices of the Illinois insurance department at 2400 Board of Trade building are now open and on Monday and Tuesday visitors streamed in. Director Paul Jones was in Chicago and greeted the callers. There were a number of floral bouquets. The quarters are considerably larger and provide more conveniences for the staff and the public. Mr. Jones has an especially attractive office which is panelled partway

in knotty pine and the other private offices are also inviting.

In the picture, left to right, are shown: Gordon A. Ramsay, supervisor of pension funds; William H. Murphy, supervisor small loans and bail bonds division; Director Paul F. Jones; Ferre C. Watkins, attorney for liquidator; Arthur G. Smith, deputy in charge of the Chicago office; and C. M. Kinney, chief deputy automobile rating division.

Vital War Role of Fire Control Is N.F.P.A. Theme

Price Elected President at Annual Parley in Atlantic City

NEW OFFICERS ELECTED

President—Dr. David J. Price, U. S. Department of Agriculture.

First vice-president—Richard E. Vernor, Western Actuarial Bureau, Chicago.

Second vice-president—C. C. Johnson, president American District Telegraph, New York.

Secretary-treasurer—Hovey T. Freeman, president and treasurer Manufacturers Mutual Fire.

Board chairman—Albert T. Bell, Atlantic City.

ATLANTIC CITY—With the vital necessity of adequate wartime fire protection as its theme, the National Fire Protection Association's long-standing attendance and registration records were broken at the annual meeting here attended by the nation's foremost fire safety authorities.



D. J. Price

Highlighting the program were talks by James E. Landis, director of the Office of Civilian Defense, and Vice Admiral Russell R. Waesche, commandant of the U. S. Coast Guard. Mr. Landis laid significant stress upon the fact that the chief weapon of defense against the incendiary bomb lies in the fire-fighting forces of America. The fire-fighting forces of every city have to be enormously expanded. Both the existing professional fire-fighters as well as the new corps of auxiliaries have to be trained in new methods necessitated by the new war weapons. They must learn how to handle existing and new apparatus to deal with the effects of the incendiary, how to isolate the fire that the bomb may have caused and how general conflagration makes true the very objective that the enemy has sought to attain. "Recruiting, training of auxiliary firemen, and the retraining of existing forces, is thus a mandatory obligation of every community in the vast target areas of this country. And this program cannot wait. It must not only be begun but must be completed now. We dare not wait, sourly and delayingly, for new equipment to roll off the production line and blame delays which we can avoid upon delays that are beyond our power to control."

Criticizes Lax Attitude

In some eastern communities little has been done beyond the stage of recruitment because of the hesitancy of the professional to lend his aid and his equipment to the training of the amateur, Mr. Landis stated. "Fortunately, most communities have been wiser and more forward in their training program but to the fire-fighting forces of those communities that today are still guilty of delay, that delay, I say, may be fatal to you and the communities to whom your responsibilities have so suddenly increased."

Vice Admiral Waesche emphasized the need for more complete port fire safety. He deplored particularly con-

(CONTINUED ON PAGE 43)

Kentucky Agents Are in Session

Convention Deals with Many Problems; Walinder Eyes Farm Situation

LOUISVILLE—The annual convention of the Kentucky Association of Insurance Agents got under way here Thursday with a full program dealing vigorously with problems confronting agents in wartime.



S. Roy Woodall

Agents have a bigger job on their hands now than ever before, President S. Roy Woodall said in his report of the administration. There are those who say that local agents are parasites and do not earn the commissions which they receive. Others say that the services of local agents are not needed in the distribution of war risk insurance; others, that local agents are no longer needed at all. Agents had better roll up their sleeves and do their very best to help win the war and to protect the American agency system.

At the end of 1941 the association had a total of 296 members, but is aiming at a goal well over the 300 mark, he said. Dropping association membership during the war is very foolish, for without a state and national association the position of the local agent would be very shortly jeopardized in a serious way.

Tribute to Agents in Service

Mr. Woodall paid tribute to the following members who have been called or volunteered for service: Fielding R. Ballard, Shelbyville, air corps cadet; Maj. Walter R. Calvert, Jr., Maj. Charles J. Cronan, Jr., Boatswain W. W. Gaunt, Jr., and Corp. Kenneth Reutlinger, all of Louisville; Maj. P. H. Porter, Jr., Clinton; Lieut. Addison T. Whitt, Winchester, and H. S. Vance, Lexington. Harry Weil, Paducah, recently was commissioned a captain in the air corps and shortly will leave to take up his duties.

The great need today is for more adequate insurance on farm personal property, B. R. Walinder, manager of the farm and hail department of America Fore, Chicago, stated.

Revisions Are Essential

Few policies in force for a year or more reflect the true value of the property insured, he said. Revisions of policies are essential, and agents must see to it because the farmer is so busy nowadays with his job of feeding the world that he isn't seeing to it himself.

Mr. Walinder warned agents that they should, however, guard against too much as well as too little insurance, and that their aim should be about 75 percent to value.

There is a much greater need for an increase in insurance on personal property than on buildings, because ordinarily the latter are more nearly adequately insured. Personal property is usually the true source of income, and with price ceilings there is less likelihood of building costs getting out of bounds. There have been comparatively few requests for increased amounts on buildings.

Problems of Farm Agent

Where additional insurance is placed on buildings, the agent should point out to the farmer that if and when prices again recede, the agent will call on him and arrange for a downward revision. A little time spent along this line may save the agent from lengthy

GOVERNING COMMITTEE HEADS



SAMUEL M. BUCK

At the meeting of the Western Underwriters Association this week in Chicago, S. M. Buck, vice-president and western manager of Great American, was reelected chairman, he having held that position the previous year. C. W. Ohlsen, western manager of the Sun,



CHARLES W. OHLSEN

was elected vice-chairman. The members outside of Chicago who were present were R. D. Safford, Travelers Fire; Ivan Escott, Home; F. W. Koeckert, Commercial Union, and John L. Mylod, from the U. S. head office of North British & Mercantile.

Hear Arguments in Appeal of Mo. Case

The United States circuit court of appeals at St. Paul has taken under advisement the appeal of the fire insurance companies in the Missouri rate case, after hearing arguments the other day. Previously briefs had been filed. The companies are contesting a federal court ruling ordering them to return \$8,132,000 to policyholders in the 16 2/3 percent rate increase case. The judges that heard the arguments are Woodruff of Omaha, Gardner of Huron, S. D., and Johnson of Kansas City.

discussions and misunderstandings later on.

The problem of automobiles and tires is a real one, and gasoline rationing may reach the farm states. However, Mr. Walinder wonders if this is enough to cause agents to give up. Traveling may become rather difficult and uncomfortable, but then, he pointed out, it isn't very comfortable riding in a jeep or a tank. Some agents have rubber for another 20,000 miles or more. After that, perhaps they can use a bicycle for shorter trips, a saddle-horse, or even horse and buggy.

These slower modes of travel will not have an unfavorable fact on agents' operations, Mr. Walinder thinks. The records show that service rendered was better back in the days when the automobile was almost unknown. It was not unusual 15 or 20 years ago for farm agents to leave home on Monday and return on Friday or Saturday.

Tell Present Assured More

Whatever the mode of travel, agents probably will do a more thorough job hereafter than in the last few years. The average number of miles traveled to handle renewals and collections will be cut down. Agents will have to plan their work more carefully and operate more efficiently. There will be no more driving out 20 miles in one direction in the morning, back to town for lunch, and then 20 miles in the opposite direction in the afternoon. They will have to plan to take care of renewals and collections on the road they are traveling, and they will find it easier to stop and seek new customers.

More intensive cultivation of clientele logically suggests sale of hail insurance on growing crops. To encourage agents

Insurance Speakers at M. I. T. Summer Conference

Several insurance men are scheduled to give talks at the summer fire protection engineering conference at Massachusetts Institute of Technology, June 22-24. The conference is open to secondary school teachers, industrial and consulting engineers, architects, building officials, fire chiefs and civilian defense officials.

The insurance speakers include James F. Crafts, eastern department manager of Fireman's Fund, on "Principles of Fire Insurance"; Harvey C. Abbott of the New England Fire Insurance Rating Association on "Common Fire Hazards"; A. L. Brown, chief engineer factory mutual companies, on "Private Fire Protection," and N. J. Thompson, director Factory Mutual Laboratories, on "Hazardous Processes and Materials."

to take time to explain to the farmer why he now needs this protection more than ever, the commission scale has been raised on policies covering corn and small grain.

Mr. Walinder notes a tendency on the part of some agents to let their smaller policies expire without any apparent attempt to renew. The business so lost in one month in one state amounted to 15 per cent of the premiums in that state, most of them on farm personal property. While the premiums have been made up in other directions, these farmer-assured have not been properly served.

As a solution to this problem, Mr. Walinder suggested that agents arrange renewals some time in advance of expiration, whenever it is convenient. Farmers appreciate the transportation problem. Renewals can be secured when the farmer is in town.

Inspections of farm property are especially important today, Mr. Walinder said, because many of the things burned can only be replaced with difficulty. Many of the losses, both fire and wind-storm, are due to carelessness. Failure to nail down loose shingles, close barn doors, keep building foundations in repair, etc., leads to larger wind losses.

Niedecker to Chicago

William Niedecker, special agent for Newhouse & Sayre in Los Angeles, has been transferred to Chicago.

Big Program for Insurance Women

Impressive List of Speakers for Annual Convention in St. Paul

The program for the annual convention of the National Association of Insurance Women in St. Paul, June 24-27, has been announced. Officers and the executive board will hold business sessions June 22-23 preceding the convention proper.

Participating in the opening ceremonies will be Commissioner Johnson of Minnesota, Sabina Curran, president of the St. Paul Association of Insurance Women; George E. Edmondson, president American Association of Insurance General Agents; Mayor McDonough of St. Paul, and Bertha Rachofsky, corresponding secretary. Elsie B. Mayer, president of the association, will give the report of the administration, and Charles F. Liscomb, past president National Association of Insurance Agents will give the key-note address. The get-together dinner will be held Wednesday evening.

Program for Thursday

John H. Egloff, supervisor of agency field service of Travelers, will discuss "Comprehensive Liability" at the Thursday session; W. A. Barrett, branch manager First Bancredit Corporation, Kansas City, "Premium Financing"; George W. Lilly, general manager Fire Companies Adjustment Bureau, "Adjustment of Losses"; Frank W. Potter, field supervisor Aetna Casualty, "The Big Six Lines." A "stump the experts" session will be handled by Berneda Faulk, Wichita, and Gladys Hopson, Tampa, Fla., with experts made up of those appearing on the program in the morning.

At the first vice-president's luncheon Thursday, with Sally Hartman, Fort Worth, presiding, Ida Staggers, chief air hostess of Transcontinental & Western Air, will talk on "Improving Your Contacts with the Public." C. J. Fitzpatrick, secretary of U. S. F. & G., will appear on the program at the dinner that evening. The song, "Insurance Women," will be presented. The music is by Harold E. Taylor of American of Newark, and the lyrics by Alma M. Cox.

On Friday Hilda L. Rogers, secretary Wisconsin Association of Insurance Agents, will discuss "Our New Responsibilities"; Robert A. Laird, production manager St. Paul Fire & Marine, "Your Task is to Service"; R. W. Forshay, president National Association of Insurance Agents, "Loyalty Plus," and Fred W. Westervelt, Jr., assistant director Business Development Office, "Second Line of Defense." At the second vice-president's luncheon, where Marie Eresch, Topeka, Kan., will preside, a talk on the U.S.O. will be given by Mrs. H. E. Wood, representative of that organization.

At the business session Friday afternoon, Ethel A. Brink, Tulsa, will speak on "Your Association," and the following will take part in a discussion on "Ways and Means": Nora Walker, Los Angeles; Tillie Thomas, Atlanta; Helen Williams, New York, and Florence Cozart, Phoenix.

Governor Stassen of Minnesota is the speaker for the dinner Friday evening, and the annual ball will follow. The convention will close Saturday with the annual election, and the annual banquet in the evening. Mr. Forshay will act as special installing officer, and Commissioner Johnson will administer the oath of office. A special ice revue will follow the banquet.

Valparaiso Outing June 11

The Valparaiso (Ind.) Insurance Board will hold its annual field day June 11. This outing is always attended by many Indiana fieldmen.

Add \$210,000,000 to Government's Marine Risk Fund

WASHINGTON—The house appropriations committee has approved a resolution increasing the government's marine insurance fund by \$210,000,000. Losses, the committee reported, are running slightly more than a ship a day, and are already larger than in all of the last war.

The administration's outstanding war risk coverage has grown enormously in recent months, according to the committee's report. Exclusive of foreign flag requisitioned vessels, government marine insurance was \$14,231,425 on Dec. 31, 1941; \$40,987,325 in January, 1942; \$57,409,947 in February; \$105,050,403 in March, and \$872,880,633 in April. Eventually it may reach as much as \$1,500,000,000.

Unpaid Claims of \$47,000,000

A fund of \$40,000,000 was originally appropriated, and this with the new appropriation forms a reserve for the eventual \$1,500,000,000 of liability, in addition to premiums collected by the government. The original \$40,000,000 now stands at \$62,987,901, with known claims of \$47,000,000. At the present rate of sinkings, \$20,000,000 a month is needed over premiums to meet losses. There is a three months lag in payment of losses, due to difficulty of determining time and place of sinking.

Of \$883,000,000 of liability outstanding May 13, \$600,000,000 was on hulls only, on 600 vessels worth approximately \$1,000,000 each.

At the hearings on the resolution Percy Chubb, director of the administration's wartime insurance division, said he did not believe the insurance fund is on a self sustaining basis for cargo and personnel. This is probably true, Admiral Land of the Maritime Commission admitted, in spite of high rates.

Essential transportation by cargo vessels can be maintained only by adequate insurance of the vessels, and operating personnel and cargoes, and the prompt payment of losses, the committee stated in its report. Private enterprise cannot undertake these risks except at rates so high as to compel abandonment of shipping entirely.

Admiral Land said the government's program of shipping construction is on schedule for this year and might exceed the goal of 15,000,000 tons in 1943.

California Agents Pushing Sales Promotion Program

The sales promotion programs of the California Association of Insurance Agents in conjunction with the fire and casualty fieldmen's organizations of California are continuing. The Sonoma County Association of Insurance Agents held a panel discussion on "When Our Business Is Threatened." O. W. Parker, Norwich Union, was discussion leader. A similar meeting was held at Visalia by the Kings Tulare Insurance Agents Association on "Overcoming Sales Obstacles," with Floyd Lobree, Fireman's Fund, as leader. G. W. Kemper, manager accident and health department Fireman's Fund Indemnity, spoke on "Accident and Health Insurance."

At Chico a panel was presented by the Butte County Association of Insurance Agents with R. E. Walker, Travelers Indemnity; E. H. Lowe, Columbia Casualty; J. L. Prall, Hartford Accident, and Howard Morrissey, Royal Indemnity, talking on "Comprehensive Liability." W. H. Siemer, Royal, spoke on "Miscellaneous Fire Insurance Coverages for Dwellings." J. T. Breckon, assistant director Business Development Office, led a discussion on "The



A third of the buildings in Pryor, Okla., were damaged by a tornado resulting in from \$750,000 to \$1,000,000 losses, about \$500,000 insured. A nearby army ordnance plant which had created a war-time business boom in Pryor escaped unscathed.—Acme photo.

Discuss Features of Canadian War Cover

OTTAWA—The house of commons banking and commerce committee has opened consideration of the new war risk insurance act introduced by Finance Minister Ilsley. There was discussion of the position of the home owner whose property is rented to another tenant. One member of parliament suggested this would work an injustice, citing a soldier overseas having rented his home to another tenant.

He was referring to the fact that the act provides free insurance against war damage up to \$3,000 for homes occupied by their owners, free chattel insurance up to \$800 and sets up machinery whereby property owners of all classes may buy further insurance at a flat rate applicable to all parts of the Dominion. The member of parliament was opposing the charge for additional protection.

T. D'Arcy Leonard, a Toronto lawyer, who drafted the bill, stated that regulations could be framed under authority of the act to guard against such injustices.

"It should be provided that free coverage would apply to the owner of a home if he occupied his home at the start of the war, but had since left it because of war service of any kind. While it should not be the intention to cover a property investment, the aim should be to protect a citizen's only home even if he were temporarily not in occupation," Mr. Leonard stated.

It was decided consideration should be given to the possibility of placing insurance on standing timber which might be destroyed by enemy action, although Mr. Leonard said there would be difficulty in proving how forest fires were started.

The committee was asked, on behalf of Pensions Minister Mackenzie, to include in coverage damage to trucks, passenger cars and bicycles loaned by citizens for air raid precaution work during blackouts. It was submitted ordinary insurance did not cover vehicles damaged while engaged in such activities.

Writes Bombardment Cover

Among the few companies writing bombardment insurance on its own ac-

count today is Protection Mutual Fire of Ebensburg, Pa. This company had premiums in 1941 of \$140,661 and losses \$30,152.

count today is Protection Mutual Fire of Ebensburg, Pa. This company had premiums in 1941 of \$140,661 and losses \$30,152.

E. U. A. Adopts New Rule on Brokerage Payments

NEW YORK—In place of the present rule of the Eastern Underwriters Association which permits local agents' associations within its jurisdiction to enter into agreements in connection with brokerage allowances, there will be substituted as from June 1, a new regulation requiring all member companies sending brokerage business to local representatives for countersignature, to file a complete record of such transactions with the association office. The new order applies to all territory under control of the E. U. A., save the various excepted areas. The new regulation is similar to that of the Western Underwriters Association and the Southeastern Underwriters Association, and is designed to check the payment of excess commissions to agents through the subterfuge of allowances for countersigning brokerage business.

Hedges Has Course for Licensees

Prof. J. Edward Hedges of the extension division of Indiana University has prepared a correspondence course on fire and casualty insurance for the use of applicants for agents licenses.

Serve your customers 100 percent by mailing them the **Insurance Buyers' Digest** each month. Write The National Underwriter for sample.



OUR NAVY IS DOING ITS PART—convoying the vital cargoes of planes, tanks, guns, ammunition and food which are going to win this war . . . win it on the enemy's own soil! The gun crews of these convoys maintain ceaseless watch, waiting their chance to strike back at long range enemy bombers—as the anti-aircraft unit shown above is doing so successfully with its multiple machine guns.

YOU CAN DO YOUR PART—by seeing that the flow of war goods in your community is protected—by watching the changing requirements of your Assured, recommending the coverages best adapted to your clients' present and future insurance needs. Your wartime watchfulness is essential.

WE ARE DOING OUR PART—as one of America's leading insurers of ships and cargoes. We also prepare Inland Marine Floaters for war industry, as well as for commercial and personal requirements. Our nearest office will be glad to render complete specialized service.

MARINE OFFICE OF AMERICA

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NEW YORK • CHICAGO • NEW ORLEANS • SAN FRANCISCO • SEATTLE
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INSURANCE MEN CALLED TO SERVICE

M. E. Sprague of Home Enters Army as Captain

NEW YORK—Mortimer E. Sprague, vice-president and secretary of Home of New York, has entered the army as a captain. He has been assigned to the



M. E. SPRAGUE

planning division of the transportation service, services of supply, in Washington.

Capt. Sprague was graduated from the United States Military Academy in 1929. He had previously taken the business administration course at Texas University. He resigned from the army in 1929 to go with Home, and in 1930 was transferred to the New York office as special agent in the service department. He became assistant manager of that department in 1932.

In 1935 he was elected assistant secretary, and became secretary in 1937. His advancement to vice-president and secretary came in 1939 and he took over as executive officer of the marine department. He has been granted leave of absence by President Harold V. Smith for the duration.

W. C. Bechtold, formerly in charge of the life and accident department of the Cox agency of Iron River, Mich., who has been a major at Ft. Brady, has now been promoted to lieutenant colonel and appointed adjutant of the Sault Ste. Marie military district. He had been life and accident manager of the Cox agency from 1937 until Jan. 1, 1941, when he reentered the service.

Richard I. Moore, underwriter of the American Indemnity's Chicago branch office, has qualified as an army air corps cadet and been assigned to Kelly Field, Tex., for training.

Several members of the Insurance Board of Cleveland have recently left to go into the service. They include Henry P. McIntosh, III, of Wilson, McBride & Co., navy; Frederick P. Winkler, Yost agency, army; Oscar U. McBirney, C. E. Preslan agency, army; J. Elliott Hannon, Evarts, Tremaine & Flicker, ordnance department; Herbert D. Mattison J., Asling & Hoffman, army; Morris B. Goldfarb, Pfister agency, army; and Joseph A. Stangel, army.

Lee F. Britton of Britton & Ewing, Tulsa, has been commissioned lieutenant, junior grade, in the Navy, and left for service May 16. He is to be stationed at Notre Dame for instruction.

V. H. Kennedy, formerly in charge of investments for Kansas City Fire & Marine, now is in the navy intelligence service.

Clarence V. Watkins, Jr., head of the C. V. Watkins & Co. agency, Pittsburgh, has enlisted in the army as a private.

He is a son of the founder of the agency. James W. Henry, Jr., another Pittsburgh agent, has entered service as a lieutenant in the air corps.

Harry Smith, partner in the Hoke & Smith agency, Kansas City, Kan., now is a captain of military police at Camp Bowie. He was a second lieutenant in the last war.

Carl E. Scott of the C. T. Rice agency, Kansas City, Kan., is now in the office of naval aircraft inspection, Los Angeles.

The R. B. Jones & Sons agency and Kansas City Fire & Marine will issue a bulletin for its 18 men in service. Mrs. Nell Combs will edit the publication.

Clifford Gordon of Wichita, Kansas state agent of the Western companies of Fort Scott and son of Secretary E. C. Gordon, has reported to Fort Leavenworth for military training.

Paul Yankey, Jr., who has been associated with his father in the Paul C. Yankey agency at Wichita for two years since graduation from Kansas University, is reporting to the coast guard officers training school at New London, Conn., where he expects to receive a commission as ensign.

Pvt. R. T. Wellman, formerly with the Wichita office of the Kansas Inspection Bureau, now enrolled in a radio school at Camp Walter, Tex., is confined to the camp hospital with scarlet fever.

Norman Hobart, Jr., of the O'Brien-Hobart agency, Kansas City, which is owned by his father, has reported for service at Ft. Leavenworth, Kan.

Fred R. Allen, special agent in the farm department of Home, in western Missouri, has entered service and is stationed at Ft. Francis E. Warren, Wyo. The April 30th issue carried Mr. Allen as Fred Stone.

Sam E. Giles, of the Mann, Barnum, Kerdolff & Welsh agency, Kansas City, has joined the army air corps.

R. Cleaves Morrison, assistant manager of the plate glass department of Maryland Casualty since 1928, has joined the army air force as a first lieutenant and will be stationed at Biloxi, Miss. He went with Maryland Casualty shortly after graduation from Virginia Military Institute in 1925.

L. A. Loustau, manager-engineer of Pacific National Fire in Los Angeles, has been assigned to duty in the plant inspection division of the army air corps. He has been in fire prevention engineering for 16 years and before joining Pacific National was with Marsh & McLennan.

Henry Weil, local agent of Paducah, Ky., has been commissioned a captain in the army air force administrative division.

George E. Toles, Buffalo news correspondent for THE NATIONAL UNDERWRITER, has been inducted into the army.

James Sheehan, Kansas Inspection Bureau, Topeka, has left for Omaha, where he will work in a civilian capacity with the army as plant protection engineer. He has been with the bureau six years.

Capt. H. P. Aucherman, ordnance department, Aberdeen, Md., has been transferred to the signal corps in San Francisco. He formerly was with the Kansas Inspection Bureau in Kansas City.

Lieut. Samuel S. Platt, Jr., attorney and chief adjuster of the Detroit branch of Citizens Mutual Automobile for 12 years, was tendered a farewell banquet on the eve of his leaving for active service in the Navy. W. E. Robb, founder and secretary of the company, was toastmaster.

C. B. Crist, Indiana state agent of the North America, who has for a number of years served on the "reception committee" for trout in Michigan on the

Lloyds Issue in Tenn. Arises Over Memphis Fire

NASHVILLE—That London Lloyds is "openly defying the Tennessee state insurance department and its officials in disregarding an injunction in June, 1939, against their illegal operation in the state," was the charge of Charles L. Cornelius of Cornelius, McKinney & Gilbert, special attorneys for the Tennessee department, following the mailing of notices calling attention of this injunction to every non-resident broker. Following a fire at the E. L. Bruce Co. lumber plant in Memphis, according to Mr. Cornelius, it was discovered that Lloyds were underwriters for \$1,800,000 on the plant, although under injunction not to do business in Tennessee and premium tax was not paid or report made to the insurance department. It was stated by Mr. Cornelius that a local agent in Little Rock, who is said to have handled the business, claimed ignorance of the injunction and of Lloyds' failure to qualify in the state.

"There are risks within the state that

opening day of the season, made a killing this year with three beauties, weighing 13, 10 and nine pounds respectively.

other companies will not underwrite for which Lloyds serves a useful purpose," Mr. Cornelius stated, "but we want them to meet the requirements of the insurance department and pay the tax required of all other companies."

Farm Fire Prevention Plan

WASHINGTON—The U. S. Department of Agriculture has announced plans for developing fire fighting units in farm and rural non-farm communities to combat fire hazards which have been aggravated by the war. The program calls for local surveys and widespread education. Rural fire fighting companies of about 10 farmers each on a community basis will be organized and trained in fire prevention and control. The program will be carried on by the extension service and state agricultural colleges in cooperation with other federal, state, and local agencies.

Agents Outing at Butler, Pa.

The annual outing of the Mid-West-Pennsylvania Agents Association will be held at the Butler Country Club, Butler, Pa., June 15. More than 200 attended the outing last year. James H. Abrams of Butler is president of the association; B. L. Arnold of Kittanning, vice-president, and Harrison M. Fines of Butler, secretary.

WITHOUT BENEFIT OF PRIORITY

We Americans at home have learned under essential war time restrictions to revise many of our confirmed habits, often with benefit and certainly without too much sacrifice.

But we are going to learn to put more first things first as the real pinch in consumer goods and services is more firmly applied. All materials and plants needed for war production must be diverted in this fight for survival.

Satisfactory substitutes will fill some consumer demands. Inevitably quality will shrink in many products. But there is no substitute for sound standard insurance protection, no shortage, no priorities. No lessening of quality. Nor will there be any now or later.

Dependable insurance works on a seven-day, round-the-clock schedule providing the security and protection we are fighting to preserve.

THE MANHATTAN Fire and Marine

99 JOHN STREET



NEW YORK

... Insure Victory — Buy War Savings Bonds ...

Illinois Agents to Hold Series of 32 District Meetings

A series of 32 district meetings is to be held in June by the Illinois Association of Insurance Agents to reach the 45,000 licensed agents in the state. This plan replaces the regional meeting plan. Its purpose is to conserve rubber and reduce expense of attendance. Details were explained by Eugene F. Engelhard, executive vice-president.

"Holding small meetings instead of a few large ones," Mr. Engelhard said, "is done in compliance with the urgency to conserve automobile tires and gasoline and is in keeping with the government's request that convention travel be held to a minimum." The main objective was to place every agent in the state within 25 miles or so of a district meeting.

The series will inaugurate a broad expansion program on which the association has been at work for several months. For both the meetings and the year-around program, the state has been broken down by legislative districts. Each regional vice-president will have supervision over the district meetings in his area.

Regional Vice-presidents Preside

The meetings in June will include all of the 32 downstate districts outside of Cook county. Each meeting is to be in charge of the regional vice-president and his assistant, those downstate being Merle A. Read, Joliet; James J. Beattie, Rockford; C. Montgomery Nicholson, Decatur; W. P. Brown, Peoria; Caspar H. Brown, Springfield; Joseph L. Connors, Wood River; and John A. Daugherty, Cairo.

C. F. Daniels, acting chairman of the Illinois Business Development Office, through members of the field club will assist the regional vice-presidents in building programs in the various districts.

The idea of taking the meetings to the agents is one of the most constructive undertakings ever attempted by the Illinois association, leaders believe, and may serve as a model plan for other state associations in the war emergency.

There are still many agents in the state not affiliated with the association and it is hoped through these meetings to demonstrate that only by uniting and working with each other can insurance agents understand current trends which are affecting the business of insurance.

Districts Separately Organized

The expansion program for the association's year-around activities follows closely the idea for the 51 legislative districts breakdown, according to Mr. Engelhard. Each district will be a complete group, with its own legislative, budget and finance, and membership committees. The program, which was devised by Mr. Engelhard and for which the necessary operating machinery is being set up by Lillian L. Herring, executive secretary, will make it possible for every agent to have close contact with the state body.

Farmers Union of Colo. Has Several Insurance Units

In a recent controversy originating in Iowa over the handling of insurance on the lives of borrowers under the Farm Security Administration scheme, mention was made that in the western states most of this business goes to National Union Security Association of Denver. In the east the business is handled by Washington Life of Washington, D. C., which is an enterprise jointly operated by several legal reserve life companies.

National Union Security Association, together with four other insurance and

finance organizations, appears to be affiliated with the Farmers Union of Colorado. The other affiliates are: Farmers Union Mutual Protective Association (fire insurance); Farmers Union Mutual Life (death benefits); National Mutual (health and accident); and National Cooperative Security Service Association (finance agency). National Union Security Association commenced business in 1938 and Farmers Union Mutual Protective in 1914.

James G. Patton, head of National Union Security, is the national head of the Farmers Union. He recently returned from South America which he visited on a government mission.

Golf and Country Clubs Are Hit Hard by War

Underwriters are watching the effect of the war emergency on golf clubs very closely these days.

Country clubs are encountering difficulties of increasing dimensions. The principal reasons advanced are the draft, ban on manufacture of golf balls, clubs and miscellaneous equipment, the freezing of golf course maintenance apparatus such as tractors and mowers, the difficulties of transportation attending the rubber shortage and gasoline rationing. In addition there is the inability to

secure sufficient or reliable course and house employees. People are generally very busy, which cuts down on the time usually expended for recreation. Some clubs are already feeling the pinch while others see little chance of operating next year unless more favorable conditions develop. All of these factors may serve to increase moral hazard.

Peoria Agents Outing July 15

The Peoria (Ill.) Association of Insurance Agents will hold its annual field day July 15 at Mt. Hawley Country Club. A dinner will climax the day.



INSURANCE policies are on guard twenty-four hours a day—every day of the year! And that's of vital importance during this national emergency. How well your client's property is protected depends upon how well you have done your work. See that the policies you write fully cover your client's requirements, and place his risks in a strong reliable company—one of the Fireman's Fund Group.



Fire . Automobile . Marine

Casualty . Fidelity . Surety

FIREMAN'S FUND GROUP
Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

SAN FRANCISCO

NEW YORK

CHICAGO

BOSTON

ATLANTA

McKittrick Asks Rehearing in Mo. Wrangle

JEFFERSON CITY—After authorizing Attorney-general McKittrick to obtain the release of the three suppressed opinions by members of the Missouri supreme court in connection with the state's suit to recover \$289,790 in attorney and commission fees and other expenses paid out by the Central Missouri Trust Company from impounded fire insurance premiums, Governor Donnell reversed himself and now states that he doesn't think it proper for the Governor to tell the supreme court what it should do.

Judge's Jurisdiction Denied

The money was paid out by the trust company on checks and vouchers issued by commissioners appointed by the late Judge Sevier of Cole county. Some months ago the supreme court ruled that Judge Sevier did not have jurisdiction over the funds that had been impounded by that court in connection with the old 10 percent rate reduction case of 1922-29. The high court directed the funds be turned over to the insurance superintendent as the proper custodian. McKittrick took steps to recover the \$289,790 paid out by the custodians. But the high court has now held that the trust company couldn't question the jurisdiction of Judge Sevier and that it was justified in paying out the money.

In the meantime, McKittrick on behalf of Superintendent Scheufler has filed a motion for a rehearing of the case. McKittrick asserted the court in suppressing the three opinions, had acted in "direct disregard of the statutes and custom, and that this suppression was 'an arbitrary order,' which, coupled with a contention that the majority decision on the merits of the case was in conflict with former rulings, indicates the court is denying to appellant due process of law." McKittrick, however, did not specifically ask that the opinions be made part of the record in the case. The contention of denial of due process of law paves the way for an appeal to the U. S. Supreme Court.

Hall at Louisville Branch

W. L. Hall, local agent at Bowling Green, Ky., has gone to Louisville, to be connected with the Kentucky branch of the Office of Price Administrator to handle rationing and establishment of price ceilings and rent limitations. The name of C. P. Thurman, state agent at Louisville for Continental has been frequently mentioned as the probable chief supervisor of the OPA program in the state, but confirmation has not been announced.

Pacific Fire Cuts Dividend

The quarterly dividend of Pacific Fire that was paid May 19 was at the rate of \$1.25 per share instead of \$1.50 as in the past.



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CONSULTANTS IN PROPERTY ECONOMICS

Kavanaugh Defies Civil Service Order as to Soldier

DENVER — Commissioner Kavanaugh of Colorado has refused to comply with an order of the state civil service commission that he require Henry F. Ries, former associate actuary of the insurance department, to resign rather than taking a leave of absence while in the army. Mr. Kavanaugh expresses indignation at the action of the commission which takes the position that Mr. Ries is not entitled to a leave because he was a provisional employee.

For weeks Mr. Kavanaugh states that he tried in vain to have the civil service commission give Mr. Ries and also the actuary of the department examinations for permanent positions because both of them were likely to enter the armed forces soon. One of these men has been a provisional employee for 2½ years and the other for nine months.

"Having refused to give the requested examinations you now demand the resignation of Private Ries," Mr. Kavanaugh wrote to the commission. "Of course your records show that Mr. Ries' state salary stopped weeks ago."

Mr. Kavanaugh states that this order of the commission means that any provisional employee of the state who enters the armed services is an outcast from his job, present and future. He must resign or be discharged.

"Please be advised that this edict will be utterly disregarded by the insurance department so long as I am commissioner," Mr. Kavanaugh wrote. "Any soldier fortunate enough to return from the war will find his job awaiting him, regardless of any bureaucracy. This, whether he be certified or provisioned employee."

Northwestern Mutual Fire Makes Several Changes

SEATTLE — Several changes in the home office and field have been made by Northwestern Mutual Fire. It has reorganized and expanded its inspection service, and named Ben T. Hannan and L. C. Wernet chief inspectors to supervise inspection activities country-wide.

Mr. Hannan was for many years a senior engineer with National Inspection Company before joining Northwestern last year. Mr. Wernet was a district manager for National Inspection. He joined Northwestern six months ago. He received underwriting experience with Atlas and Springfield Fire & Marine in Chicago. Mr. Hannan's headquarters will be at the home office in Seattle, and Mr. Wernet will operate out of Columbus, O.

W. O. McMahan, special agent in Illinois and eastern Missouri, has been transferred to the home office sales department. Prior to joining Northwestern in 1935, Mr. McMahan conducted his own agency in Kansas City, Kan.

B. B. Kirby, special agent in the St. Louis area, will now work in all of the eastern Missouri and southern Illinois territory.

Frank Tiffany, Iowa special agent, has been transferred to Kansas City to supervise Kansas, western Missouri and Iowa.

E. J. Doll, former office manager and chief underwriter in the Portland, Ore., office, has returned to the home office to take charge of the reinsurance division. He has been with the company since 1929.

No Legal Bar Found

FRANKFORT, KY. — An opinion that there is no legal bar to a county tax commissioner selling insurance to the county or making other county contracts was given by Assistant Attorney-general Herdman. He said that since a tax commissioner is not a member of the fiscal court, there appeared to be nothing "contrary to law and public policy" in such dealings, but added that fiscal courts should not favor a tax commissioner in awarding contracts.



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Chicago Board Premiums Up 20 Percent in '41

The 1941 fire, tornado and sprinkler leakage premiums in Cook county, Ill., of full member companies and subscribing companies of the Chicago Board amounted to \$22,028,362 as compared with \$18,463,149 the previous year. That is a gain of \$3,565,213 or nearly 20 percent. The company groups that are full members of the board wrote \$17,770,341 in 1941 as compared with \$14,940,769 the previous year. Independent stock companies not members of groups wrote \$2,317,612 last year and \$1,876,750 in 1940. The subscribing companies, stock and mutual, wrote premiums last year of \$1,940,408 and in 1940, \$1,645,629.

In the following table in the first section are shown the 1940 and 1941 premiums of member companies, first, the company groups and, secondly, the independent companies that are not members of groups. In the second section are shown the premiums for the subscribing companies.

The division of business as between Chicago proper and the rest of Cook county is not available for 1941. In 1940, the city premiums were \$14,011,733 and those for the entire county including the city \$18,468,529. The 1941 premiums were the largest since 1930, when the total writings were \$24,860,000. The low point was in 1932 with premiums of \$16,250,000.

	1940	1941
Automobile	\$ 328,832	\$ 375,525
Aetna Fire	658,172	837,425
Agricultural	122,855	152,621
American	327,925	402,761
America Fore	930,876	1,041,858
Atlas	129,766	154,985
Boston	74,391	76,858
Caledonian	94,772	107,760
Century	31,768	37,834
Commercial Union ..	278,440	321,723
Corroon & Reynolds ..	455,144	491,383
Crum & Forster	511,332	639,639
Dubuque	230,735	243,487
Fire Association	210,835	273,590
Fireman's Fund	299,755	376,142
Glens Falls	267,849	317,723
Globe & Rutgers	91,637	78,291
Great American	381,648	432,672
Hanover	132,351	148,222
Hartford	662,147	717,583
Home	1,122,208	1,450,559
London	200,532	211,191
London & Lanc.	457,351	547,192
Firemen's	749,666	799,092
Meserole	157,121	194,067
Millers National	230,538	292,808
National	442,080	572,533
National Union	154,979	163,207
New Hampshire	81,817	94,329
North America	570,922	588,191
North British	603,787	742,347
Northern, Eng.	126,210	155,839
Norwich Union	118,696	140,493
Pearl	256,425	322,115
Phoenix, Conn.	544,218	660,035
Phoenix, Eng.	384,274	496,561
Providence, Wash. ...	155,942	183,963
Royal Exchange	151,766	176,436
Royal	459,745	585,430
Liverpool	331,264	456,859
St. Paul	327,242	368,044
Scottish Union	224,283	265,117
Security, Conn.	145,577	199,327
Springfield	443,523	540,150
Sun	171,264	202,909
Travelers	196,725	271,594
Yorkshire	127,738	154,617

Independent Companies

American, Tex.	1,287	2,954
Buffalo	52,913	56,326
Camden	65,658	91,534
Eagle Star	65,505	92,381
Employers	54,131	73,152
Excelsior	4,369	6,991
Farmers, Pa.	22,638	30,407
Federal	10,599	18,243
Fidelity & Guaranty ..	184,564	242,619
Ins. Co. State Pa.	65,764	47,999
Kansas City F. & M. ...	6,742	8,227
Merchants, Colo.	9,453	10,763
Merchants, N. Y.	211,201	210,446
Northern, N. Y.	96,320	100,836
Ohio Farmers	17,422	19,752
Pacific National	143,157	160,390
Paramount		70,613
Pioneer	58,194	59,610
Potomac	53,220	81,775
Reliable	17,158	21,862
Republic	46,572	28,554
Rhode Island	173,150	155,927
Security, Ia.	83,825	86,497
Standard, N. J.	51,818	50,790
St. Louis F. & M.	20,939	19,178
Union, Canton	6,641	10,022
Western Factory	114,323	262,470
Western, Kans.	8,636	11,871

Subscribing Companies

Am. Und.	8,661	19,147
Allied Am. Mut. F.	9,843	13,845
Am. Druggists	45,914	50,829

	1940	1941		1940	1941		1940	1941
Atlantic Mutual	33,941	36,739	Hard. Mut. Fire....	785	737	Natl. Retail. Mut...	105,545	134,330
Assoc. F. & M.	49	519	Illinois Mut. Fire...	2,828	2,808	Northwestern Mut...	33,316	40,493
Badger Mutual	57,829	67,428	Impl. Deal. Mut.	2,045	1,260	Northwestern Natl...	440,125	491,154
Berkshire Mutual	1,718	1,846	Ind. Lumb. Mut.	18,594	27,256	Ohio Hard. Mut....	2,045	1,260
Canners Exch.	29,665	37,603	Iowa Hard. Mut.	2,045	1,260	Ohio Mutual	233	607
Central Mfctrs Mut.	35,178	1,692	Lumber Mut. Fire...	16,273	23,273	Ohio Und. Mut.	1,485	1,833
Dearborn National ..	2,461	4,856	Lumb. Mut. O.	17,655	26,238	Pawtucket Mutual...	2,058	1,134
Drug. Ind. Ex.	4,463	42,361	Lumb. Und. All.	22,653	16	Pa. Lumb. Mut....	22,869	22,440
Employers Mut.	26,346	162	Luth. Mut. Fire	8,853	10,037	Pa. Millers Mut.	16,995	16,547
Evangel. Mut.		16,681	Market Men's Mut...	208	110	State Farm Exch.	4,759	7,824
Farmers Mut. Re...	6,602	196	Mich. Mill. Mut.	13,971	20,105	Tornado Int. Ins. Ex.	11,920	19,842
Federal Mut.	339	86,502	Mill Owners, Ia.	20,380	21,269	Union Mutual Fire...	70,897	88,459
First National	38,976	120,753	Millers Mutual, Ill...	19,082	24,121	United Mutual Fire	80,773	121,877
General, Seattle	114,327	25,261	Millers Mutual, Pa...	8,161	7,171	Universal Und.	7,909	3,728
Gr. Deal. Nat. Mut...	24,638	25,875	Minns. Imp. Mut...	13,682	12,167	Warner Recip. Ins...	41,209	51,583
Gulf	16,426	19,043	Natl. Jewel. Mut...	61,794	47,432	West Bend Mut.	3,618	6,954
Home Own. Mut.	5,334	864	Natl. Mut. Church ..	4,706	3,241	Western Mill. Mut...	7,848	8,334
Halifax	14,188	52,245			4,475	Workman's Mut.	12,900	13,334
Hard. Deal. Mut...	65,765							

... and all is well

The illustration shows an A.D.T. supervised watchman transmitting a signal to an A.D.T. Central Station. At prescribed intervals during his tour of duty he sends these signals, and so long as they come in on schedule, the Central Station knows that "all is well"

But suppose that all is not well. Suppose that for any reason—accident, illness, attack by intruders—the watchman fails to signal. With A.D.T. Supervision, failure of the watchman to signal on time is an automatic call for help. The Central Station promptly investigates, dispatching armed and bonded guards when necessary to render emergency

assistance, notifies designated officials, and arranges for continuity of the watch patrols if the regular watchman is incapacitated.

In conjunction with Watchman Supervision A.D.T. also provides Manual Fire Alarm Boxes to summon the fire department directly to the scene of any fire outbreak and emergency signaling devices for secretly summoning police assistance.

This comprehensive supervision and backing up of the watchman by an independent outside organization of trained experts assures maximum effectiveness of guard and watchman forces. It keeps constant watch over the watchman's performance—not the following morning—but from minute to minute while he is making his patrols.

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NEWS OF FIELD MEN

Plan for Civilian Defense Cooperation Now Completed

Much interest was stimulated at the fire prevention association officers conference in Chicago last March regarding the proposed Ohio plan for cooperating with civil defense authorities in the establishment of fire prevention training programs for plant workers, outlined by Carl H. Roggenkamp, Security of Iowa, president of Fire Prevention Association of Ohio. The plan which is now in operation has been explained in greater detail by Mr. Roggenkamp and pertinent material is being sent out to fire prevention associations officers by the Western Actuarial Bureau's fire prevention department.

Although the plan of presentation has to be adjusted to various type of meeting and the audience, a program for sessions lasting about six hours has been prepared. The Missouri Inspection Bureau's film on chemical extinguishers and the Office of Civilian Defense films on organization or incendiary bombs are shown. Specific problems, such as sprinkler equipment, are discussed in separate sessions with those particularly concerned. In order to get away from "canned" speeches, suggested talks are outlined on various subjects which give the speaker considerable latitude in using and presenting his own ideas. Outlines have been prepared covering fire protection in industrial plants, warehouses and public buildings, incendiary bomb control and sabotage and espionage. The National Board's school inspection blank, special inspection blanks for industrial plants, mercantile, non-manufacturing and public buildings and for specially protected properties are distributed at the sessions as needed.

N. Y. Underwriters Fills Eastern Missouri Vacancy

Carl A. Morhard, who has been special agent in the southern Illinois field for the past several years for New York Underwriters has now been assigned to eastern Missouri territory as well and he is given the title of state agent. O. W. Schowalter, who has been with the Missouri Inspection Bureau about 12 years, is named as assistant to Mr. Morhard. The changes were made in view of the death recently of E. S. Plummer. Mr. Morhard has been with New York Underwriters many years. After gaining experience at the head office he was assigned to the Michigan field and has been traveling in southern Illinois with headquarters at St. Louis about four years. His headquarters remain at St. Louis.

Richardson to Western N. Y. for Springfield

J. Marshall Richardson has been appointed special agent in western New York for the Springfield group. Mr. Richardson formerly was in the agency business, but recently has been state agent for Caledonian, traveling New Jersey and eastern New York state.

Mr. Richardson succeeds Theodore F. Angell, who now is a captain in the army.

Mr. Richardson will continue in the Springfield offices in the Lincoln Alliance Bank building, Rochester.

Shannon Okla. Hail Special

Don H. Shannon of Oklahoma City has been appointed hail special agent of Great American in Oklahoma, succeeding the late L. D. Anderson of Enid. Mr. Shannon's headquarters will be in Oklahoma City.

Sabin, Jackson and Post Are Neb. Presidents

The annual meetings of the Nebraska Fire Underwriters Association and State Fire Prevention Association were held in Omaha. Fred H. Sabin, American, is the new president of the Fire Underwriters Association; J. B. Wyatt, North America, is vice-president and E. S. Freeman, retired state agent of Agricultural, is secretary.

F. M. Jackson, Aetna Fire, is the president of the Fire Prevention Association; T. W. Caldwell, Jr., Home, vice-president; D. R. Wilhoit, America Fore, secretary, and W. E. Bayley, Hartford, assistant secretary. Russell E. Johnson, New York Underwriters, is the retiring president.

The Nebraska Blue Goose elected these officers: Most loyal gander, A. H. Post, Rain & Hail Insurance Bureau; supervisor, E. A. Reed, St. Paul Fire & Marine; custodian, E. H. Wylie, American Union; guardian, E. D. Straka, National Fire; keeper, C. W. Martin, National American; welder, F. H. Sabin, American.

Thirteen new members were initiated. They include: Director Fraizer, Frank Landis, special deputy for the insurance department, and State Fire Marshal Carter. Guests included F. W. Westervelt, Jr., assistant director Business Development Office; A. J. Keats of the New York office of North America and H. J. Jeffrey, secretary of the Loyalty group, Chicago.

Fire Marshal Carter of Nebraska announces the appointment of F. M. Jackson of Aetna Fire as a member of the Governor's Fire Defense Committee in the place of Russell E. Johnson.

Aetna Makes Okla., West Va. Shifts

G. Kellogg Taylor has been appointed Oklahoma state agent of the Aetna Fire group to succeed Fred C. Clarke, one of the veterans in the Oklahoma field, who is relieved from active duties at his own request and subject to recall at any time.

Mr. Taylor is transferred from West Virginia, where he has served as state agent of the Aetna group for six years. Special Agent E. N. Pearson, who has been in Oklahoma with Mr. Clarke since 1927, will continue the same duties in association with Mr. Taylor.

MacShane W. Va. State Agent

H. Eugene MacShane is appointed state agent in West Virginia and Special Agent Leroy S. Hodges transferred from Oklahoma to Virginia, where he will be associated with State Agent C. Gordon Long. Mr. MacShane went to West Virginia as special agent under Mr. Taylor in 1938. He has been with the Aetna organization for 18 years. A native of Utah, he was with the Aetna's western department in Chicago 12 years, going from there to the home office.

Mr. Clarke is one of the best known insurance men in the southwest. A native of Georgia, he entered insurance work in 1897, rising from the filing department to become chief clerk for a large Philadelphia company, following which he spent six years as special agent for that company and a North Carolina company. He joined Aetna in 1910 as state agent in North Carolina. In 1913 he was transferred to Oklahoma as state agent and has remained there ever since.

Mr. Taylor joined Aetna in 1912, advancing through various positions in the home office, and in 1925 was appointed special agent for Connecticut and western Massachusetts. A year later he was transferred to West Virginia as special

agent and was appointed state agent in 1936.

Mr. Hodges is a native of Alabama and a graduate of the University of Alabama. For several years he was farm special agent of Aetna in his native state and later in Virginia. In 1930 he was transferred from Virginia to Oklahoma as recording special agent.

Kiehlbauch in Oklahoma

C. H. Kiehlbauch has been appointed special agent of America Fore, assisting State Agent T. Ray Phillips in Oklahoma, with headquarters at Oklahoma City. He succeeds V. L. Gaston, resigned.

Mr. Kiehlbauch is a native of South Dakota, attended the University of South Dakota and Drury College in Springfield. For some years he was in the local agency business at Joplin, Mo., and has been associated with the western department of the America Fore organization for several months.

St. Louis 25-Year Men

Members of the St. Louis Blue Goose who have received 25-year pins are: A. O. Bray, W. G. Brown, J. W. Evans, Jr.; G. W. Fischer, F. P. Flick, J. W. Herd, W. A. Jack, H. G. Kiesler, A. L. McCormack, W. A. McKenzie, P. A. Schmuck, Raymond W. Smith, Roy

Smith, George W. Steinkamp, J. E. Tenner, P. W. Terry, E. J. Weinfurth and J. T. Woodroffe.

Yeomans to Mich. for American

Special Agent Walter C. Yeomans of American of Newark, who has been in Iowa, has been transferred to Lansing, Mich., to operate in that state under State Agent Fred H. Pierson. This shift is caused by the entry into service of Special Agent Raymond L. Jennings, who is a first lieutenant at the Aberdeen Proving Ground, Maryland, and Special Agent Raymond W. Douglass, who is a first lieutenant at Fort Bragg, N. C.

Levit Is San Francisco Speaker

Bert W. Levit, San Francisco insurance attorney, told the San Francisco Blue Goose Monday of trends in government and recent decisions of the United States Supreme Court which are affecting the future of private enterprise in this country.

If free enterprise is to be reestablished as a traditional American institution after the world war, the people of this country—and particularly business men—must take more active interest in politics, Mr. Levit said.

Even before this country entered the war, he said, business leaders were abdi-



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cating their rights, with further restrictions and control of the individual being gladly tolerated because of a desire to win this war as quickly as possible.

Mr. Levit pointed out that the "kind of government you get depends upon the kind of men you elect to office. There can be no free enterprise without individual freedom."

He was presented by A. M. Brown, Jr., of the Edward Brown & Sons general agency, who is also a member of the board of supervisors of the city and county of San Francisco. In his introduction Mr. Brown said that "if you want to get some idea of what is happening to private enterprise you should attend a meeting of the board of supervisors."

Topeka Blue Goose Luncheon

TOPEKA—Byron R. Ward, Glens Falls, announced at the Blue Goose luncheon Monday that the Topeka members would send Joe Springer, son of J. F. Springer, Topeka manager of the Western Adjustment to the Sunflower Boys State at Wichita next month. C. E. Stiehl, London & Lancashire, presided. Twenty-five attended. James E. Mott, Great American, Wichita, president Kansas Fire Underwriters Association was a guest.

N. J. Field Men Hear Salisbury

NEWARK—W. B. Salisbury, chairman of the fire prevention committee of the New Jersey Association of Insurance Agents, will be guest speaker at the meeting of the New Jersey Field Club here May 25. Applications for membership in the club have been received from Calvin Baile, London & Lancashire; F. J. Katz, National Liberty; E. C. Carrier, Aetna Fire, and E. J. Keller, American of Newark and will be voted upon at Monday's meeting.

Robert C. Hamilton, special agent of Queen and president of the club, is the son of Fred Hamilton, former president of Queen, who retired a number of years ago.

Kentucky Field Meetings

LOUISVILLE—Fire insurance men in the field service will have a busy period at Mammoth Cave, Ky., June 3-4, when the Kentucky Fire Prevention Association will hold its annual meeting; the Kentucky Fire Underwriters Association, its semi-annual meeting, and the Blue Goose its annual meeting. The Kentucky Insurance Speakers Bureau will also meet.

Davis Groomed for Office

The friends of L. N. Davis of Chicago, state agent of the North America group in northeastern Illinois, are grooming him as a candidate for vice-president of the Illinois Fire Underwriters Association at the forthcoming meeting at Lake Delavan. There seems to be no other candidate in the field.

Ohio Speakers' Meetings

B. T. Duffey, Jr., Underwriters Adjusting, will address the Ohio Stock Fire Insurance Speakers Association next week on "Views on Public Speaking." Roger S. Olson, America Fore, also will speak. This week C. W. Dunbar, Detroit Fire & Marine, was chairman. L. H. Wiggins, Great American, spoke on co-operatives and C. W. Little, Sun, on "Money and Coins."

Hutchings Back in Harness

E. M. Hutchings, who was retired a number of years ago as special agent in Seattle of Fire Association, has been pressed into service again and is filling the vacancy left by Guy N. Hedreen,

who is now with the defense inspection service of the war department.

Name Kan. Executive Committee

James E. Mott, Great American, president of the Kansas Fire Underwriters Association, has announced the new executive committee: H. O. McIntosh, Hanover, chairman; Lloyd L. Gaines, Commercial Union; George R. McCullough, Travelers Fire; E. P. Janousek, Security, and H. R. Joyce, National.

Fresno Initiation Friday

About fifty members of the California Blue Goose, Los Angeles, will attend the ceremonial and outing of the Fresno puddle of the San Francisco pond May 22. About 20 new members will be initiated.

N. J. Field Club Luncheon

The New Jersey Field Club will hold a luncheon-meeting in Newark May 25. W. B. Salisbury, chairman of the fire prevention committee of the New Jersey Association of Insurance Agents, will speak.

Ala. Blue Goose Elects June 11

The Alabama Blue Goose will hold its annual meeting in Birmingham June

11. E. H. Mathewes, Jr., North America, is now most loyal gander.

NEWS BRIEFS

For the first time in many years, Seattle and British Columbia Blue Goose golfers will not compete in their annual home-and-home golf tournament. The first match is usually played at the time of the Seattle pond's annual meeting, which this year will be June 26. Due to war-time restrictions, the Vancouver ganders will not be present.

J. H. Lumpkin, San Antonio, for several years special agent of Commercial Union in southwest Texas and later special agent of Trezevant & Cochran, has entered the government service at Little Rock.

The annual splash of the Louisiana Blue Goose will be held in New Orleans July 11.

The Sunflower Blue Goose puddle, Wichita, Kan., viewed a safety movie prepared by the Wichita police department. Election will be held next week.

The Ohio Blue Goose will hold its spring party at the Scioto Country Club in Columbus June 8.

Members of the Kansas Stock Fire Companies' Speakers Bureau and their wives will be guests of Mr. and Mrs.

Discuss Coordination of Factory Insurers

The committee of fire insurance executives that has been discussing for a year or more the idea of coordinating to a greater extent the setup of the three factory associations will have another meeting in New York, May 29. This is a subcommittee of the executive committee of the Insurance Executives Association and is headed by W. R. McCain, president of the Aetna Fire. The objective is to have uniform constitutions for the three associations, uniform lines and uniformity in company participation. The differences in lines and constitution have been accentuated by the requirements of the war effort so far, it is believed, and discussion has centered about producing uniformity in these respects rather than the idea of an actual consolidation of the three organizations.

E. S. Nellis at a steak fry at their home in Topeka, May 25.

Have you seen the Insurance Buyers' Digest? Leading agents are mailing it out every month to stimulate business. Write The National Underwriter for sample.



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WHENEVER was time so valuable as now? For the war, civilian defense, keeping up our business, looking to the future (because what we do this year decides what next year will be like). Forward-looking agents and forward-looking companies think primarily in terms of broader and better protection to the insuring public. Our Company expresses it by saying "We can help You!"



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Vermont Agents Hear Van Wiseman

(CONTINUED FROM PAGE 3)

beyond company powers to handle. He referred, he said, to three specific projects with which he was acquainted, each calling for protection running from one-half a billion to three billions of dollars. In this situation the government comes to the insurance business for service, not indemnity. It wants to use the service experience of insurance but not the indemnity promise. That conception destroys the old idea of insurance and causes men in high key places to ask, "Why insurance?" Only a rapid adaptation to this approach of government to the insurance business can prevent serious consequences. This picture was cited as just one reason for a change in thinking and a readiness to do long range planning and acting.

Coordination, Integration

The danger is scented by nearly all in the business. All recognize that only a coordinated and integrated industry can successfully tackle the new problems under leaders who see and understand the problem and are willing to take daring, accurate and quick action. That coordination and unity is lacking today, according to Mr. Van Wiseman, because there was no frank discussion of problems among all groups in the business based on respect for the existence of a common will and purpose on the part of each group to find a correct solution of service to all. No long range planning or preparation can be put under way without that, he said. Companies are against companies, companies are against agents, and agents are against agents. It is impossible in this confusion for the people to understand the business.

Company presidents had told him they could do a better job of keeping up with public needs if agents could do the job satisfactorily. The companies had appointed these agents and kept them on the job. It was true, he said, that agents lean too heavily on companies for supplies, services and subsidies.

Mr. Van Wiseman quoted from recent statements of Donald Nelson, W. J. Reynolds of Corroon & Reynolds and Professor Ralph H. Blanchard, Columbia University, all emphasizing present day necessity for quick shifts to meet changes. The biggest mistake of all today is to do nothing and a management which is traveling behind public demands in these days will fail, according to Mr. Van Wiseman.

War Damage Situation

Failure even to have a war damage plan publicly ready to submit when consideration of this subject came forward was a setback in good public relations conduct which it will take the business a long time to overcome, he asserted. And he doubts that the lesson of this incident has yet been learned. As an example of possible good public relations conduct, he cited the opportunity of announcing automobile liability rate adjustments at the same time gas rationing was made effective. He thought it possible that news stories or even government announcements would have aided in building good will for the business if rate adjustments were ready to give out simultaneously with news of the events making them necessary. He said gas rationing was known for months in advance to be coming.

Mr. Van Wiseman urged all in the business to stop being inarticulate and to abandon the "leave it to George" attitude. He said there must be an infinitely more sensitive nerve connection between the public and the management if the quick, accurate action necessary to prevent disaster is to be obtained. This top management, he declared, had done nothing malicious or positively bad; its failure was a lack of planning and leadership. He feared the day might come when the government would step in and say, "All we want from you is service."

Howard A. Allen, president of the

Vermont association, introduced the speaker.

Lobby comment disclosed that Mr. Van Wiseman's invitation to speak at the meeting did not arise out of any crystallized feeling of antagonism toward the National association but from a desire to learn, if possible, more about the issues surrounding Mr. Van Wiseman's dismissal. In this connection Mr. Van Wiseman told THE NATIONAL UNDERWRITER he now had invitations to address six state associations and 10 local boards and that he had received about 500 letters from association members, almost all commenting favorably on his activities. He says he will have an announcement shortly about his future.

Governor Wills said things were moving too fast to allow long delays before action and this applied also to the insurance business. He said that insurance leadership had not been willing to give up old heirlooms. He warned that many present day insurance problems were not strictly war problems but would be here long after the war.

Willard C. Laurence, Springfield, is the new chairman of the executive committee, succeeding E. G. Welchman, Woodstock, now in the army. Ralph Gates, Brattleboro, succeeds Mr. Welchman on the board.

The executive committee was given power to adopt resolutions. It is understood that one resolution will deal with some phase of National association activities.

G. H. Angell, marine agency supervisor of Providence Washington, spoke on "Development of Inland Marine Lines;" H. P. North, Business Development Office, on "Present Obligations and Opportunities;" and J. H. Garneau, Hartford Accident, chairman speakers bureau National Association of Accident & Health Underwriters, on "Accident and Health Insurance in a Multiple Line Office."

Talk of G. Henry Angell

G. Henry Angell, marine agency superintendent at the home office of Providence Washington, in his talk at Burlington, suggested that agents concentrate on developing inland marine business as a means of offsetting reduction in automobile premiums and in other lines due to the adverse effect upon customers of rationing and other restrictions.

Mr. Angell discussed some of the current trends in the transportation field. Rationing of tires and subnormal replacement of equipment causes much greater hazards of operation. Moreover losses will occur because of the increased tempo of handling freight.

Under today's conditions, the shipper would be wise to buy a transportation floater policy on his own account. The railroads are not as hungry for business as they were and it may be that they will be less likely to appease customers by making liberal and prompt payments of claims.

Important Difference

One important difference between the carrier's liability and that under a shipper's transportation policy is that the carrier is liable only for the invoice value of the goods. Under the transportation policy the goods may be valued to fit the assured's requirement, such as wholesale cost, plus accrued charges, etc.

The policy may be written to assume all claims which are paid to the assured within a reasonable time after he files his claim against the carrier. The insurer then determines whether the carrier is liable and takes necessary subrogation. The other method is to write the policy as contingent coverage, assuming only those claims upon which the carrier has definitely denied liability.

Allied with the transportation coverage of this type is the owner's form of truck cargo policy covering goods owned

by an assured and carried on his own trucks. In the past an assured handling low valued goods may have felt that insufficient value was involved to justify insurance. Now, however, values have increased due to the tire situation and the assured may be reducing the frequency of his deliveries and doubling up his load.

Mr. Angell also discussed the truckmen's form that is issued to common or contract carriers. Although there is no state insurance requirement in Vermont on cargo carried by intrastate carriers, each such carrier should be solicited for cargo insurance. He pointed out that motor truck cargo policies contain a 100 percent coinsurance clause and it is well to review each assured's requirement in the light of the higher values being carried today.

Mr. Angell observed that the personal property floater was just recently approved for sale in Vermont and this offers the agents in that state an exceptional opportunity to produce additional premium income.

Breckon Is Participating in Montana Sales Meetings

J. T. Breckon, assistant director of the Business Development Office, is in Montana attending sessions of the sales promotion programs sponsored by Montana Association of Insurance Agents and Montana Fire Underwriters Association. The state has been divided in three districts with four meetings in each during May. Panel discussions are held by special agents and local agents on the new Montana farm tariff and casualty coverages.

District No. 1 held a meeting Monday at Lewiston, Chauncey Fowler as chairman; Tuesday at Billings, Earl Tiffany presiding. Thursday a meeting will be held at Livingston, W. J. Peterson, chairman; Friday, Great Falls, Fritz Norby. District 2 met Tuesday at Glasgow, H. O. Morgan, chairman; Wednesday, Plentywood, R. O. Nelson, and will meet Thursday at Glendive, Ray Jarding, and Friday at Miles City, W. B. Clarke. District 3 held meetings at Helena, John Schroeder; Anaconda, Matt Kelly and Missoula, R. C. Hilton, and meets Friday at Kalispell with Fisk Ellis as chairman.

Fritz Norby is president of the Montana association and R. C. Hilton is chairman of the public relations and educational committee in charge of the programs in cooperation with the educational committee of the Montana Fire Underwriters Association, H. L. Reilly, chairman.

From Montana Mr. Breckon will go to Spokane and Seattle to complete arrangements for similar sales promotion meetings in that territory next fall. He will return to his San Francisco headquarters May 28.

Employee Marks 30th Year with Freese Agency

Miss Jane Burt recently celebrated her 30th anniversary as an employee of the Freese Agency, Detroit. The agency marked the event by giving a dinner party, at which Miss Burt recited the following poem, her own composition:

(With apologies to Eddie Guest)
There's a heap o' livin' crowded
Into 30 busy years!
There's perpetual emergency
And little time for fears.
You have to discount many a day
That's seemed a total loss,
But you have extended cover
If you comprehend the loss!
The safety valve may never pass
The regular inspection.
Your value may depreciate
And cause you deep depression.
Then appreciation starts to climb
And you realize it's true,
That the boss has spent much time
And thought in comprehending you!
Tonight this comprehensive policy
Enlists your admiration,
And I hope it's never cancelled
Until my expiration.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Company, Hartford, Conn.
1850

FOUTABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELiance INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
2133 Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

NEW YORK

VAN WISEMAN OPENS OFFICE

Jerome Van Wiseman, former director of publications and public relations of the National Association of Insurance Agents, who was catapulted out of his position, has opened an office of his own at 70 Pine street, New York City.

Mr. Van Wiseman has a very attractive office in the expensive Tower building. His furniture is new and very tasty and imposing. Additions will be made to his office equipment as soon as the priority rulings will permit. Over the wide central doorway to his office are the words, "Insurance Coordination Board." Mr. Van Wiseman has received many letters since he left the National association in which his course of procedure is commended.

CENTRAL BUREAU REPORT FOR DEC.

Unpaid earned premiums of fire companies in December amounted to \$11,631, a decrease of \$392 from December of 1940, the Central Bureau of New York reports.

Unpaid earned premiums of casualty companies were \$72,335, an increase of \$1,040.

LOUIS B. HANSEN IS ADVANCED

Louis B. Hansen has been named assistant field manager of Factory Association of Hartford for the New York metropolitan district which comprises greater New York and northern New Jersey. Recently he has been assisting Field Manager J. H. Germain. He has been with F. I. A. about 22 years.

MORE WORK FOR HIGHERUPS

The higher officials in insurance offices find it necessary during war times to stick more closely to their desks. They have had to absorb work that heretofore has been assigned to those down the line. In view of the loss in personnel due to war service and the gap being filled in part by new and inexperienced help it has thrown much more labor on the supervising people. Hence the very top officers are compelled to spend longer hours in the office. Many of them who have been accustomed to taking Saturday off are now found at their desks that day. They have cut down their vacation periods materially.

RULES ON DWELLING DEFINITION

The rates, rules and forms committee of the New York Fire Insurance Exchange has ruled that no building with a store front, regardless of occupancy or lack of occupancy, is eligible to be classed as a dwelling or apartment dwelling.

Lincoln Fire has resigned as a member of the exchange because it has discontinued the writing of business.

COMPANIES

Emmco Companies Write Fire Lines in Four States

The Emmco companies now are insuring against fire hazards in Indiana, Ohio, Illinois and Michigan. H. C. Williams, vice-president and secretary, announced.

Chenault Now Vice-president of Houston F. & C.

J. E. Chenault has been appointed as vice-president of Houston Fire & Casualty, effective June 1. He has been treasurer of Gulf since 1926 and previous to that was with Republic for six years.

He will work jointly with Dudley Ferguson, executive vice-president of Houston F. & C., in charge of production and underwriting, until Mr. Ferguson goes into the army in the near future, and then will have full charge of that department.

Mr. Ferguson is being given a leave of absence, and after the war will return as vice-president.

K. C. Trotter Is Official of Fire Association

Kenneth C. Trotter has been elected assistant secretary of Fire Association. Mr. Trotter recently was assigned to new and enlarged duties at the head office. In his new position he will supervise the group's operations in Pennsylvania, excluding the Philadelphia and its suburban territories, New Jersey, Ohio, West Virginia, Maryland, Delaware and District of Columbia. He formerly was manager of the Philadelphia and Philadelphia suburban departments.

He entered insurance in 1918 as a clerk with North America, later joining the Schedule Rating Office of New Jersey where he served three years as an inspector. After a brief time in the local agency business, he became an inspector for the old Philadelphia Fire Underwriters Association.

Mr. Trotter joined Fire Association in 1925 as special agent in the city department and remained in the field for nine years. He then returned to the city department as assistant manager. In 1937 he was made manager of the Philadelphia suburban department and in 1940 the city department as well.

Missouri Probe to Continue

Following the adjournment of the Missouri anti-trust hearings at Jefferson City until June 15, E. A. Henne, America Fore, will be recalled to the stand. J. C. Harding, Springfield F. & M., will be put on the grill. It is likely that R. D. Hobbs, manager Western Actuarial Bureau, and E. H. Born, assistant manager Western Underwriters Association, will be recalled for further questioning.

Laboratories Elect 10 Members

Underwriters' Laboratories has elected 10 new members, four of whom had already been named trustees: W. N. Achenbach, western department manager of Aetna Fire, and Charles H. Smith, associate western department manager of Hartford Fire, both of Chicago; J. M. Thomas, president, National Union Fire, and R. P. Barbour, U. S. manager of Northern Assurance, who is president of the National Board.

Other new members are: C. H. Comegys, Chicago, manager Oil Insurance Association; C. M. Harman, Philadelphia, superintendent electrical department Middle Department Rating Association; E. C. Niver, executive vice-

president New York Board; D. J. Talbot, assistant chief electrical inspector city of Chicago; Ralph W. Wiley, chief of the department of electricity of San Francisco, and F. A. Williamson, Boston, supervisor public utilities department New England Fire Insurance Rating Association.

Record Texas Membership

The Texas Association of Insurance Agents which is holding its annual meeting this week, now has a total paid membership of 1,220 which is the largest that it has ever had. This compares with membership of 1,192 at the convention last year, and 1,203 at the end of the fiscal year Oct. 31, 1941.

NEWS BRIEFS

Northern California fire and casualty field men who do not attend the annual ceremonial and barbeque of the Fresno Blue Goose puddle May 22 are expected to take part in the golf outing sponsored by the **East Bay Insurance Exchange**, which is being held May 21 at the Orinda Golf Country Club.

At the luncheon of the **Sioux Falls, S. D., Association of Insurance Women** the speaker was C. E. McLaughlin. The June meeting will take the form of a picnic.

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YOU NEVER KNOW WHO'S LISTENING

IT is the duty of every insurance man and woman, as it is the duty of every American, to be particularly careful what he says and where he says it. The insurance business is so closely interwoven with manufacturers of essential army and navy supplies, that it is natural those in the insurance business frequently know in advance of new plants, additional employees, vital machinery about to be installed, and similar information. Engineers, inspectors and claim men have intimate knowledge of men and machinery in many a plant which is a cog in the wheel of the machinery which is making America the Arsenal of Democracy. Don't tell all you know. Don't repeat any information about any risk in any public place. Don't give the enemy the tip-off. You never know who's listening. Your best friend may be the sort of a person who likes to show off his knowledge, acquired from you, by saying, "Why an insurance man told me just the other day . . ." Get the proper information to the proper authorities as promptly as possible. *But make absolutely sure it gets nowhere else.* Such warnings have appeared before and will appear again. They should be repeated again and again and again.

You Never Know Who's Listening



THE EMPLOYERS' GROUP

110 Milk St., Boston, Mass.

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Nebraska Agents Eye Qualification

(CONTINUED FROM PAGE 1)

Earl R. Wilson recommended that the association be represented at the next legislative session by a man whose sole interest was that of the agent. He said that the Insurance Federation of Nebraska had done a good job for the business as a whole, but that there were occasions during the last session where the federation, which he said was company dominated, represented interests diverse to those of the agents. In this he was supported by Joe Alter of Lincoln.

C. A. Abrahamson of Omaha vigorously opposed. He said that with two men in attendance advising as to insurance needs and desires legislators would not know where to turn. Agents are given representation on the board of the federation, and if they did not accept it, the fault was theirs. Agents cannot stay in business without the companies, he said, and setting them off as a separate group with separate interests is bad for the business.

Mr. Wilson said that failure of the agents' qualification law at the 1941 session was due to pressure groups, which included some insurance companies as well as bankers and finance company men. There are companies with stockholders eager for dividends and managers seeking increased volume. This has resulted in sending in to the field men whose bad practices could be stopped by a qualification law. At least 90 percent of the companies stand with the agents, whose sole purpose is to protect the insurance buyer by weeding out undesirables.

Specific Legislation Needed

Mr. Wilson said that the department, without the backing of the law, has cleaned up the situation measurably, but a specific law is necessary. This can only be secured by unifying the agents behind it. His committee also recommended that the resident agent law be modernized along the lines suggested by the National association.

I. R. Zerzan, Omaha, who attended the recent National association meeting, gave his impressions of the convention and outlined the latest developments in the field of war damage cover.

Hilgemann Calls for Leadership

L. C. Hilgemann, Milwaukee, national executive committeeman, said the real test of meeting a war economy will come after the war is over, and urged agents to close ranks and not stand divided in matters where principles demand that they should be united.

The attorney-general of the United States is giving consideration to violations of the Sherman anti-trust act as a result of the Missouri mess, he said. Much is heard of the blessings of federal control. The cry for change is coming largely from political economists who would like to get their hands on policyholders' funds, and from large corporations with plants located throughout the country that want to place their insurance irrespective of state lines.

Perhaps it is time that agents of the country, who know the public better than any one else in the industry because they are meeting it every day, devoted some of their efforts to selling the companies on what the public wants. He doubts that the people want to have insurance controlled from Washington. Nebraskans want to say what shall be done in that state.

Guard Against Division

One of the basic strategies of any aggressive force, military or otherwise, is to divide and conquer. Mr. Hilgemann urged that agents not let this happen to them. Agents should assume leadership. One of the things that has been overlooked is the lack of understanding as to what the public wants. Other lines are doing a great deal of intelligent work to learn the public reaction to merchandise offered. There should be some long range planning in

insurance, a "laboratory," some means of testing public opinion such as the Gallup poll.

Agents traditionally are optimists, but Mr. Hilgemann suggested that pessimism also has its uses by keeping to the fore those points on which improvements can be made.

AVIATION OUTLOOK

Although aviation insurance has been hit by the war, there is still business to be had, now, and it holds enormous promise for the future, E. L. Stephenson, manager of Associated Aviation Underwriters, Chicago, stated.

There is practically no mutual competition in the aviation insurance field, he said, except on factory compensation risks. There are no collection worries because terms are cash. There are no flat cancellations. The finance companies haven't gotten into the field, and most of the financing of planes is done by local bankers who are glad to cooperate with agents who understand the business. In 1941 the four aviation markets wrote \$6,000,000 in premiums, and this is about one-fourth of what it would have been if agents had applied the same selling effort to this field they apply to other lines. The industry is growing much faster than is realized, now employing nearly twice as many men as the automobile industry ever did, and it is expected to have a real boom after the war.

Can Sell Airport Compensation

Mr. Stephenson said very few airport operators carry workmen's compensation insurance. These rates have been reduced, and agents should check into this line and do a real insuring job for the airport operators. There will be another class this June of about 25,000 pilots in the civilian pilot training program. The training is sponsored by about 1,000 colleges, and each flight instructor has to buy accident and liability policies on each student.

Commissioner Fraizer's Talk

The state insurance code calls insurance a "service," Insurance Director Fraizer said in his talk. The code also calls for good faith and equity in rendering such service. These elementary thoughts deserve occasional reflection, he said. Fortunately there are only a few companies that seem to think the time will never come when they have to pay claims with money. The department is strenuously trying to convince them that they had better get into some other business where no service—and not too much money—is involved.

About one-third of Nebraska agents are full-time. The other two-thirds are primarily engaged in almost 40 other occupations, he said. The department in its relicensing program is seeking to eliminate the substantial number of agents who have held licenses principally for the purpose of writing insurance on their own property. Another change that the department is making this year is to place the burden and responsibility upon the companies to see that their agents are entitled to licenses. Agents should be specialists, professional men, and companies should make even a greater effort to maintain a high standard, he said. The insurance industry, and particularly the agent, must be a stabilizing influence in these times.

Scores Bargain Counter Offers

Mr. Fraizer said that the principal troubles of the departments now are with companies using bargain counter offers to attract business. One insurance agency advises that it will write automobile group insurance, creating the impression that a "fleet" rate will be given, but this is not the case. The policy is sold at the same rate to everyone. Such advertising is misleading and unfair, and subject to severe criticism.

The department also found attempts to give members of a trade association, through a master policy, an advantage over individuals of the same class who do not happen to belong to the association.

A health and accident company makes it possible for a person who is not a licensed agent to represent to a group of women that they can obtain valuable insurance, along with a lot of other things, for a certain specified sum which is supposed to be a bargain. Selling by a non-licensed agent is subject to severe criticism, and the insurance itself is a very limited policy. Disciplinary steps are being taken.

While it is no particular concern of the department what competitive practices may exist so long as they are legal, Mr. Fraizer said that an agency, whether an individual or a large metropolitan office, gains only temporary advantage and in the long run severely injures the insurance industry by bargain counter methods.

Discusses Premium Financing

While the insurance business is being affected seriously in some cases by national defense restrictions, premium budgeting is the only type of deferred installment not effected by government regulations, G. W. Goll, manager of the insurance finance division of First Banc-credit Corporation, Kansas City, said. Agents can still extend terms up to four years on premiums.

INLAND MARINE

H. M. Angell, manager of the western department of Appleton & Cox, Chicago, said that in the field of inland marine there had been a great expansion during the last 15 years due to new demands. War conditions present problems of ut-

most importance just now. The vast quantities of raw materials being moved and processed have complicated those problems. One recent truck shipment of government material was valued at \$540,000. Under such conditions every effort is being made to provide coverage by reinsurance or by two or more companies assuming the risk.

Priorities have added to the complexities of insuring government materials furnished manufacturers, especially in the garment field, because of the difficulty of arriving at values. Policies cannot cover replacements, they must be limited to the loss. Scarcity of goods is another factor, where past experience furnishes no sound guide. Some companies look for large losses, but there should be a larger demand for coverage because of that scarcity.

Westervelt Explains B. D. O.

Purpose of the Business Development Office is to help local agents, F. W. Westervelt, Jr., assistant director said. The office acts as a clearing house for ideas and these ideas are those of agents in the field.

Many agents have been called into armed service, he said, and unless those who are left to do the work are given proper training they are bound to lose a lot of the business. He recommended a series of regional meetings by association agents who call in these beginners for the purpose, not of education in the business, but in sales training. Only in this way can these weakened agencies survive the war period.

Chester A. Miles, state agent Standard Accident, Kansas City, defined the comprehensive general liability policy as a broad and simple contract in which all of the separate general lines are welded into a single coverage.

Mr. Goll suggested that by selling the premium budget plan to assured who

Now is the time to speak BLUNTLY

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The agency business can scarcely hope to survive the difficult days ahead without some casualties. But on any battlefield the best hope for survival is to make full use of available information. You must know the terrain by correctly appraising and understanding the conditions that a total war economy will impose.

The agent will survive who realizes that he must analyze his business and his office methods, his prospects and his competition, his selling and his advertising, and his community's reaction to today's conditions. Such an analysis would indicate the path

to progressive planning—and to victory.

The alert agent can insure the success of his campaigning by sending for a copy of "Planned Progress." This concise and informative booklet is filled with insurance sales strategy. It tells you how you can get a plan—similar in technique to the insurance survey—that will enable you to know and profitably solve your problems. Send for the booklet "Planned Progress" today. Send for it even if you have no intention of adding to the list of companies you represent. You will be glad you did. There is no obligation—except to yourself.

BOSTON INSURANCE COMPANY
87 KILBY STREET, BOSTON, MASSACHUSETTS
OLD COLONY INSURANCE COMPANY

have never purchased term coverage before will help partially to offset the loss of automobile volume. In insurance there are always other fields to be developed. In the past two years the practice of including unearned premium and rent insurance in all term policies has grown rapidly. While these premiums are small, if the coverages are sold on all eligible business, the aggregate would be worth while.

In 1941 approximately \$25,000,000 in premiums were handled via the budget arrangement. Some agencies have established special departments for the developing of business along this line.

Registration Is Heavy

About 200 agents registered at the convention in spite of confused conditions in the business as a result of war and rubber curtailment.

Entertainment features consisted of a stag party the first evening, luncheon

and a banquet at which Fred Groth of Lincoln officiated as toastmaster. The entertainment was given by C. W. Martin, agent of Omaha, who is a magician.

Between sessions, Director Fraizer held meetings with field men to go over the list of protested agents' licenses filed by the association. He reported that he found the agents cooperative in every instance, and that a great deal of progress had been made in clearing up a situation with which he has had to deal individually in the past.

President Ritner named the following convention committees: Auditing, C. M. Reed and J. J. Greenberg; resolutions, R. E. Stephens, Richard Walker, A. H. Felger and M. A. Boettcher; nominations, J. G. Elliott, George Larkin and Joe Alter.

Leland Morse, president, and Robert Andrews, executive vice-president of the Iowa association, attended the convention.

were omitted and submitted to the officers and directors for further study. Conferences are still being held to discuss these questions and the expectation is that definite recommendations will be made at the semi-annual meeting of the board in July.

These proposals include reduction in the number of class 1 agents that a company may have from four to three; discontinuance of the surety bond requirement of members; that one condition for new class 1 membership be that at least 80 percent of the business comes from subagents or brokers. Then there was also the matter of setting a top cost or the allowance for class 1 agents. The original program did not include a definite recommendation on this point but it was contemplated that this should be the subject of continuing study.

The officers and directors appointed a special committee on the surety bond question and that committee has given its report. In the meantime the surety bond continues to be given. It is quite likely that a recommendation will be that the present four agency quota be retained.

The officers and directors were much interested in the action taken by the Western Underwriters Association in establishing a differential in commissions as between policy writing agents and

those for whom such work is done by the companies. Under the W. U. A. program each case is to be considered on its merits by the governing committee. The suggestion has been advanced that a differential be applied in Chicago and Cook county as between suburban agents that write their own policies and those that do not. The situation is quite different in Cook county from that in ordinary territory. Of some 1,900 suburban agents in the county it is estimated that not more than about 75 write their own policies and most of these are old timers in the business.

GEIGNER AMERICA FORE CASHIER

R. J. Geigner has been appointed cashier of the America Fore companies in the western department in Chicago succeeding the late Fred A. Karasek. He entered the employ of Fidelity-Phenix in 1921 as a file boy in the cashier's department and served all his time under the supervision of former Cashier Wisdom and his successor, Mr. Karasek, who died a few days ago after being with the organization for more than half a century.

Curtis McPherson, deputy insurance superintendent of Alabama, has been appointed secretary to United States Senator Lester Hill.

AS SEEN FROM CHICAGO

MAYER & JOHNSON OFFICE MOVES

Mayer & Johnson, independent appraisers of Chicago, have moved to more commodious offices in A-1153 Insurance Exchange building. This firm has been located in the Insurance Exchange for 10 years and has engaged exclusively in preparing appraisals of machinery, fixtures, inventories and buildings. J. H. Mayer, a veteran in the valuation field, is well known to the insurance fraternity. In the new location the firm's facilities have been increased by the addition of counsel from George M. Blum and Alonzo B. Barber, well known Chicago adjusters.

SCHUFFT MANAGES AGENCY

L. A. Schufft, assistant secretary of the W. W. Rice Company agency, Chicago, has been appointed general manager of the National Aviation Agency of the same city. He succeeds W. W. Rice, Jr., who has been appointed an infantry lieutenant and assigned to Fort Benning, Ga. Mr. Schufft started with the agency as an office boy 19 years ago. For some time he has been interested in aviation, having done considerable flying. Until only recently the agency owned a plane.

A. A. BRABAND IN NEW POST

A. A. Braband, who until recently held an important position in the Chicago office of the Illinois department, has joined the Osborn & Lange agency of Chicago as special representative to work with brokers and suburban agents throughout the metropolitan area. Mr. Braband became especially well acquainted with the brokerage fraternity when he was with the department. Prior to that he served in executive and field positions in Chicago for a number of companies.

W. P. B. RULE MAY BE EASED

Manager R. C. Swanson of the Insurance Exchange building, Chicago, has just returned from Washington, D. C., where he went to confer with officials of the War Production Board in an effort to secure for the building some modification of the recent ruling limiting office buildings throughout the country to an annual maximum of \$5,000 in labor and materials cost on alterations and modernization. The purpose of the ruling was to conserve defense materials.

In the case of the Insurance Exchange it would be a severe hardship because of the unusual condition of the old original 30 year leases on the north half of the Exchange, all expiring May 1, and likewise all leases on the south addition which when it was built were written also for a term ending May 1, 1942.

For several months Manager Swanson has been busy arranging new leases for many tenants, which in most cases called for some modernization, office rearrangement, and so forth. The \$5,000 limitation would have made it virtually im-

possible to carry out most of these contractual arrangements.

As the various leases were signed, Manager Swanson bought the necessary materials so he has a large stock on hand. Therefore it was not necessary for him to secure priorities on materials. However, W. P. B. authority extends to the commandeering of property of private citizens if it should be necessary for war purposes. After the peculiar setup in the Insurance Exchange was explained to W. P. B. officials, together with the fact that about 85 percent of the alterations work on leases already signed has been completed, Manager Swanson was given informal assurance that the \$5,000 limitation would be eased in the case of the Insurance Exchange so far as completed contracts were concerned. He was executing this week a formal application to W. P. B. setting forth the situation and asking for more latitude. It was made clear the limitation, however, will apply with full force to any leases signed in the future, thus the alterations hereafter must be parceled out as far as they will go within the limitation.

A number of large alterations are being made in the Exchange, including Hartford Accident's new quarters, Western Factory, A. F. Shaw & Co., and Moore, Case, Lyman & Hubbard, all of which would have been seriously affected by the ruling.

CHICAGO BOARD OUTING

The annual golf outing for members of the Chicago Board is to be held at Bob-O-Link Country Club at Highland Park, June 16. L. J. Fischer, assistant general manager of Home, is chairman of the fellowship committee that is in charge. Members voted in favor of holding the golf outing as usual by a margin of 3 to 1. The fellowship aspect of the outing is to be emphasized this year, particularly because this is the first get together since the new Chicago Board program was decided upon. Attendance is limited to class 1 members and those of their employees that members desire to have attend, executives of fire insurance companies and associations and members of the brokers and suburban agents' committees.

CHICAGO BOARD CONFERENCES

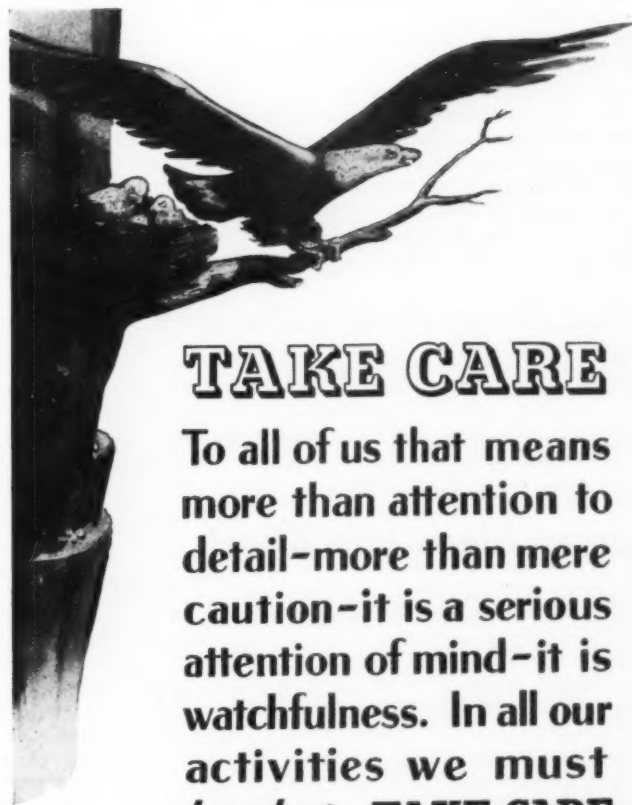
When the new program of the Chicago Board was put into effect there were several proposals on which there was a sharp difference of opinion and in order not to delay consummation of the program as a whole these proposals

PERMANENT POSITIONS

Indiana State Agent Auto Co.	\$225
State Agent Casualty Co.	\$200
Rating Engineer Armour Graduate.	\$200
Payroll Auditor	\$200

FERGASON PERSONNEL

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FIELD CORRESPONDENT

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EDITORIAL COMMENT

Getting Complete Information

IN THE very interesting forum discussion at the New York agents' meeting on comprehensive liability insurance the fact was brought out that it is quite difficult to appraise in advance of the audit the hazards that exist and yet an assured wants full information on costs. A large contractor for example desires to know pretty closely what his costs are going to be in making a bid.

Here is where the use of the survey blank comes in and it should be employed, of course, by the agents in reaching a conclusion as to the hazards that are apparent and potential. That is, it is essential to reveal as many additional

properties and hazards as possible at the outset.

Many agents are prone to use the telephone to get information of this kind and yet in this particular discussion it was emphasized very strongly that the agents should go to the assured's place of business and talk with him about his insurance. This is time consuming and yet in case of any mistake or overlooking some hazard the agent will be held to account. Therefore in these abnormal times it certainly behooves a producer to get in personal touch with his customers and talk over their situation with them.

Spirit That Is Needed Today

"If you think it can't be done, then you are beaten today."

"And I will go farther than that and say that if you think it can't be done just as well as it has always been done, then you are beaten."

These significant observations were made by two important insurance company executives the other day in discussing the many problems that are being encountered in operating under war time conditions and in trading information on what each had done in the way of adopting alternatives to usual procedures in order to accomplish the same results.

The spirit that they indicated is one

that must possess every executive these days. It is a spirit that must be imparted throughout the organization. It is certainly true that an office can deteriorate in short order if mistakes and failures are lightly passed off as inevitable consequences of the war situation. An executive cannot permit himself to indulge in this alibi nor can he permit others responsible to him to do so. He must come to grips with the problem, believing that there is a way and that it is up to him to find it. It means sharp attention to the task, resourcefulness and courage. This is the only way victories are won in these times.

Need Reappraisal of Values

ALMOST every property policy that is renewed these days needs study as to values. Labor and cost of material have increased so that the former insurance may be quite inadequate. The last year and a half has brought a de-

cided change in the valuation of buildings and contents. No agent should allow a policyholder to go improperly or inadequately insured without having brought the matter to his attention. He should be brought up to date.

Putting Ideas Into Effect

IDEAS are rather elusive, especially when they are presented at meetings where numerous subjects are discussed. By the time the listener gets home and starts putting the ideas he has gleaned into effect many of the details are forgotten and abbreviated notes jotted down in haste are inadequate in detail.

Those familiar with the work of the Western Actuarial Bureau's fire prevention department have the greatest of admiration for the organization ability of R. E. Vernor, J. Burr Taylor, H. K. Rogers and their assistants. Their meetings run smoothly and a maximum of ideas are presented in a minimum of

time. Although these men are authorities in their field, they are not content to set forth their own knowledge but they make every effort to stimulate discussion and thought among those in attendance.

Many timely plans and suggestions were reviewed at the fire prevention association officers conference sponsored by the Western Actuarial Bureau in Chicago last March. Among them were the Ohio association's plan of establishing a fire prevention training plan for plant workers and the Nebraska group's idea of wearing special coats during town inspections. Both ideas clicked with those

present. But Vernor, Taylor, Rogers & Co., didn't let stop there. They followed through. Several weeks ago THE NATIONAL UNDERWRITER assisted them by publishing a photograph of the Nebraska men with their special inspection coats. More details of the Ohio plan which is now in operation, have been secured, mimeographed and sent out to associa-

tion officers this week. A resume is published in this issue in the news of the field men.

In a business in which many good ideas are never developed in the rush of pressing business, it is stimulating to observe how at least one organization is operating to curb not only fire waste but idea waste as well.

PERSONAL SIDE OF THE BUSINESS

H. A. McIlroy, special agent in the New York suburban field of Royal-Liverpool, has completed 50 years' service with the companies. Most of Mr. McIlroy's business life has been spent with Queen, which he joined May 14, 1892. To mark the occasion, executives and other friends gave him a luncheon. C. A. Nottingham, assistant United States manager, presented him a gold watch suitably inscribed.

J. L. Harbeck of Chubb & Son of New York was in Chicago the end of the week en route to the Pacific coast. He is one of the key men of the Chubb office and never fails to attend the conventions of the National Association of Insurance Agents.

Herman D. Smith, vice-president of Marsh & McLennan, Chicago, has been elected trustee of the University of Chicago.

Miss Constance Bulske, daughter of **M. E. Bulske**, chief inspector of National Inspection Company, Chicago, and Mrs. Bulske, was graduated last week from the University of Iowa as one of 13 out of a class of 1,082 to receive the designation "with high distinction." Miss Bulske also won the award of Sigma Delta Chi, professional journalistic fraternity, and qualified for Phi Beta Kappa.

R. L. Ellis, head of the Lipscomb-Ellis Co., Atlanta, and president of the Georgia Association of Insurance Agents, was one of the principal speakers at the 75th anniversary of Eta chapter, Chi Phi fraternity at the University of Georgia. He is national president of Chi Phi.

Commissioner McCormack of Tennessee has returned from attending the Chemical Warfare School at the University of Florida, Gainesville. He is head of the Civilian Defense organization in Tennessee as well as state fire marshal.

While visiting in Pittsburgh, **E. A. Flickner, Jr.**, of Montclair, N. J., an actuarial student in Prudential, scored a hole-in-one on the seventh hole of the Castle Shannon Golf Course. It was the first ace made on the hole. His father, **E. A. Flickner, Sr.**, manager of the Pittsburgh office of Corroon & Reynolds, was playing in the foursome.

Samuel L. Carpenter Jr., general manager Pacific Board; **H. H. Osborn**, assistant Pacific Coast manager North British; **Russell L. Countryman**, Pacific Coast manager Norwich Union, and **William M. Mutch**, underwriter Travelers Fire, attended the University of California commencement. Mr. Carpenter's and Mr. Countryman's sons, **Samuel L. Carpenter, III**, and **Ralph Countryman**, received diplomas and also commissions as ensigns in the navy. Mr. Osborn's and Mr. Mutch's daughters

received diplomas. **Ralph Countryman** was editor of the university's monthly magazine, "Blue & Gold."

President C. R. Page of the Fireman's Fund was in Chicago this week conferring with Western Manager **E. D. Lawson** and his associates. He was en route to the east.

R. W. Hosmer & Co., supervising agency in Chicago, last week celebrated its 75th anniversary. The agency was founded by **R. W. Hosmer** in 1867. Mr. Hosmer's brother, **J. W.**, came into the firm later on. **P. B. Hosmer, Sr.**, a nephew of the founder, joined the agency in 1900, and his son, **P. B. Hosmer, Jr.**, in 1934. Thus the agency has survived under the same name and through three generations of the same family.

The agency has represented **Norwich Union** 63 years and was the first appointment that company made in the United States. It has represented **North River** since 1886, and **Globe Indemnity** since that company was founded 30 years ago. On Dec. 15, 1869, **R. W. Hosmer** reinsured a building on the north side of Chicago for \$5,000 in City Fire of Hartford. The business was originated by **Mutual Security** of Chicago. This building, the old Ogden home, was the only one on the north side not burned in the Chicago fire.

Walter C. Ploeser of the Ploeser, Watts & Co. local agency of St. Louis, who is serving his first term in Congress, announces that he is a candidate for reelection on the Republican ticket. Mr. Ploeser is well regarded among insurance people. As a member of the small business committee of the House he very forcefully undertook to keep the record straight when the committee held a hearing on fire insurance with Attorney-general **McKittrick** of Missouri as the principal witness. Mr. Ploeser just recently addressed the annual meeting of the Florida Association of Insurance Agents and at that time was outspoken in his criticism of **McKittrick**.

W. S. Leake, state agent of Travelers Fire in Louisiana and Mississippi, attended the wedding of his son, **Lieut. Geo. M. Leake, U. S. M. C.**, to **Miss Cattie Steele Clarke** of New Orleans in Charleston, S. C.

George E. Redfield, formerly western supervising general agent of the Farmers of York, and Mrs. Redfield are in Chicago at the Lake Shore Athletic Club for a month or so prior to going to their summer place near Traverse Bay, Mich. During the fall and winter seasons the Redfields go to Fairhope, Ala., near Mobile. Mr. Redfield is one of the surviving veterans of the field.

R. O. Albrecht, Iowa special agent of



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"—I just got a low cost car and I want to transfer my insurance to it!"

St. Paul F. & M., is the father of a baby girl, his second child.

DEATHS

A. L. Waldo, 86, for more than 50 years a leading local agent in Atlanta, died there.

Arthur J. Ingold, office broker associated with Meeker Wagner Company, Chicago, died of a heart attack. He was about 50 years of age and had been associated with Meeker Wagner about six years. Formerly for many years he was associated with his brother, Oscar W., in a brokerage office. Mr. Ingold was married.

Mrs. Robert Van Iderstine, widow of the former board chairman of American Equitable, and mother of Robert Van Iderstine, Jr., of the Holborn Agency Corporation of New York, died in Wickersham Hospital, New York. Her husband died in 1933.

Elmer F. Carnes, 54, former Ohio state agent of New Hampshire Fire, died after a year's illness. Burial was in Columbus. Mr. Carnes was a native of Chicago and had been with New Hampshire 20 years. He was an honorary member of the Blue Goose.

George H. Eymann, who had been active in field work in Indiana in the 1920s, but had retired some years ago, died suddenly at his home in Indianapolis. Among companies for which he had traveled were Chicago Fire & Marine and Sterling Fire.

Mrs. Ralph M. Wylie, wife of the special agent New York Underwriters in Louisiana, died after a brief illness.

J. Conway Chichester, 69, for many years a local agent in Fredricksburg, Va., died there. In recent years his nephew, D. M. Chichester, had been associated with him.

Robert E. Brown, well known in Richmond, Va., fire insurance circles, died there. For some years he was a member of the general agency of Gordon & Brown and later of Gordon, Brown & Carter. He retired a few years ago.

W. W. DeLany, 74, local agent in Atlanta for eight years, died suddenly.

W. H. Buscombe, prominent Canadian fire company executive, died suddenly from a heart attack in a Toronto

hospital. Mr. Buscombe was secretary and a director of Wellington Fire and Federal Fire of Canada, assistant secretary and director of Consolidated Fire & Casualty and an official of Shaw & Begg.

Sidney M. Swope, 61, head of the Swope-Brady agency, Wichita, Kan., died from complications following an attack of the "flu." He had lived in Kansas 57 years, most of the time in Wichita, where he had been prominent in civic affairs.

Francis M. Cox, 68, a director of Appleton & Cox, died Tuesday in New York after a lengthy illness. He had been with that office since 1917. One of his four sons is with Appleton & Cox.

W. C. Downs, special agent of Aetna Fire in Missouri, died at his home in Odessa, Mo. Death was unexpected and was caused by heart trouble.

A. L. Rosenheimer, 81, president of Kewaskum Mutual Fire, Kewaskum, Wis., and interested in a number of other commercial and industrial enterprises, died at his home after a short illness.

W. E. Shipp, 70, local agent at Ennis, Tex., until three years ago, died at the home of his son in Midland, Tex.

Sheehan Named Editor of "American Agency Bulletin"

The National Association of Insurance Agents announced this week that Robert W. Sheehan had been named editor of its official publication, "American Agency Bulletin." He also will handle publicity for the association.

Mr. Sheehan went to the National association Jan. 1, 1941, as executive editor of "American Agency Bulletin" and also to take part in public relations activities. Previously he served for 14 years with "Spectator," being managing editor.

New York Board Elects

NEW YORK—Officers of the New York Board elected at the annual meeting Wednesday are: President, A. J. Smith, president Smith & Zweig Co.; vice-president, W. A. Riordan, vice-president Automobile; secretary, E. C. Niver; assistant secretary, R. F. Wright, Wright agency; assistant treasurer, W. C. Howe, Royal Liverpool.

If Winston Churchill had his way.....

"If I had my way, I would write the word 'insure' over the door of every cottage, and up on the blotting book of every public man; because I am convinced that for sacrifices that are inconceivably small, families can be secure against catastrophes which otherwise would smash them forever."

Hon. Winston C. Churchill.

To provide this security soundly and economically, Pearl American offers to policy holders and agents the skilled experience and conscientious service of its nationwide organization.

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EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG . . . PRESIDENT

REINSURANCE OF CASUALTY FIDELITY & SURETY
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MISSOURI

BRANCH OFFICES
NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES

The NATIONAL UNDERWRITER

May 21, 1942

CASUALTY AND SURETY SECTION

Page Nineteen

Boiler-Machinery Manual Is Completely Revised

Premium Gradation Plan Is Made Effective—Many Simplifications Introduced

A complete revision of the boiler and machinery manual, superseding all pages previously issued, has now been published by the boiler and machinery division of the National Bureau of Casualty & Surety Underwriters. The new rules and rates became effective May 18 on policies issued on or after that date, and they must also be used in connection with all policies which have been issued to become effective on or after Sept. 1, regardless of when issued.

As was previously made known, the revision includes a premium gradation plan. On the first \$500 of premium there is no discount and the agent receives the standard scale of commission. On the next \$2,500 of premium, however, there is a 10 percent discount in the premium and for the portion of the premium above \$3,000 there is a discount of 30 percent. For instance, on a \$5,000 risk the premium on the new basis would be \$4,150, consisting of the sum of \$500, \$2,250 and \$1,400.

Although not referred to in the manual, this program is accompanied by a commission reduction scheme. The present scale of commissions is applied to the first \$500 and to the discounted premium on the next \$2,500, but on the excess above \$2,750 there is a top commission to general agents of 15 percent.

Insurance Charge Table

Another important feature of the new manual is the adoption of an insurance charge table (without rate differentials by districts) for use in connection with boiler insurance in lieu of the basic and location charge table. This, the bureau states, is a desirable simplification and conforms to the plan which has been used successfully for many years in connection with machinery insurance. The over all effect of the new insurance charges in connection with the boiler business is to produce less premium than from the old basic and location charges, so it has been found necessary to compensate for this reduction by increases in the object charges involved.

Credits for part-time operation and suspension have been eliminated.

The cast iron boiler index is simplified, and a large number of pages are eliminated; size numbers for obsolete boilers are deleted and type B rates are now required for all such boilers. Rules for suspended liability, for use and occupancy, consequential damage, power interruption and outage are simplified.

The object charges appearing in the various rate tables do not directly reflect

(CONTINUED ON PAGE 20)

Truck Operators Now Face Real Insurance Situation

One of the problems most seriously disturbing motor truck transport owners of the country is insurance coverage, and this subject occupied an important place on the convention program of the safety and operations section of the American Truck Associations, Inc., in Chicago three days this week.

Truckers want to know how and where to get the extremely large excess limits of liability while transporting munitions, and how to pass on to the shipper, who is in many cases the government, the additional cost of extra cargo liability on high value loads.

The "War Time Liability Insurance Problems of Motor Carriers" was discussed by Irvin S. Markel, vice president and treasurer of Markel Service and vice-president of American Fidelity & Casualty, and "Cargo Insurance of Supplies of War" by A. Wesley Barthelmes, secretary of North British & Mercantile and a member of motor truck cargo committee of the Inland Marine Underwriters Association.

Suggests Government Appeal

Mr. Markel suggested that as truckers increase their movement of munitions the market for excess third party liability protection over limits normally carried will become extremely tight or disappear altogether. He recommended that the American Trucking Association immediately appoint a committee to attempt to get the government, possibly under the Pepper bill, to assume such excess liability.

Preceding Mr. Markel on the program was Col. A. B. Johnson of the army ordnance department, who told of the explosion of a truckload of munitions in North Carolina following a fire. The explosion blew a hole 50 feet wide and 30 feet deep in the concrete roadway. The engine was found a quarter of a mile away, and huge blocks of concrete were thrown a mile. A two story hotel nearby was demolished, as was a filling station some 200 yards away. At a juke box dance hall in the neighborhood 50 persons were injured. Two persons driving by in an automobile were blown to pieces. Windows were broken for miles around.

Mr. Markel pointed out that if such an explosion occurred in a thickly populated district the liability of the trucking concern would be enormously greater than anything the insurance companies ever envisioned. With the transportation of munitions there is always the normal possibility that a catastrophe will happen.

Timid on High Munitions Limits

Insurers are timid about very high limits on munitions cargoes, and Mr. Markel said the market for such cover above normal will probably disappear shortly. Though unwilling to extend liability limits, the companies will endorse the trucker's present policy to cover munitions hauling.

Insurers writing excess cover would not be justified in writing it for munitions haulage only, he said. Yet the trucker and innocent third parties who may be injured are certainly entitled to protection.

The cost of such insurance, if it could be had, would be prohibitive, he said. Such increased costs would have to be applied not only to the cost of munition haulage but to regular haulage as well in order to give insurance companies sufficient premium actually to undertake the risk.

The situation is one peculiar to war, and truck operators can justly look to the government to assume such excess liability above normal limits the truckers now has with private companies. Truckers might pay a nominal premium, as is contemplated under the War Damage Corporation setup for war risk and bombardment protection, but the burden is too great for any but the government to assume. He recommended that the trucking association act promptly because the difficulty is an urgent one. The insurance companies are very willing to cooperate in any effort to work out such a plan, he said.

Should Get Policies Endorsed

He added that probably many truckers do not know what their policies now do cover. As a matter of fact, they may not have any liability cover when hauling munitions because liability is commonly excluded under such circumstances. Truckers should contact their insurers at once and get their policies endorsed, so that at least the present limits of liability will apply. Mr. Markel inferred that the companies probably would not discontinue granting the privilege of this endorsement.

The truck operators are much concerned about cargo liability, Mr. Barthelmes said. The reputable firm these days is carrying a high limit, \$25,000/- \$50,000 and in some cases \$50,000/- \$100,000, but in these days many loads are running well over the maximum normal liability. It is difficult for the trucker to collect from the shipper the extra premium needed to pay for extra cargo liability limits under present tariff schedules. On its regular business the trucking firm may have a load of clothing valued at \$65,000 today, and tomorrow a \$150,000 load of war materials. The government is shipping much of this material under seal. Often the trucker does not know what he is carrying, and occasionally doesn't know its value.

What is the attitude of the government, Mr. Barthelmes was asked, if there is no declaration of value? Suppose the trucker has a maximum cargo liability limit of \$10,000, the value of the cargo is \$100,000, and there is a loss? Mr. Barthelmes said the government is specifying an amount, if higher than the normal cargo liability limits the trucker carries, though it may not indicate the exact amount nor describe the merchandise.

Rates Based on Value

When the nature and value of the load is not known there is no way to rate or charge its proper premium, he said. Rates are based on value. If there is \$50,000 of insurance on a \$100,000 cargo and half the merchandise is destroyed, there is a 100 percent loss as

(CONTINUED ON PAGE 20)

Warns Insurance to Modernize or Face TNEC-Type Probe

Blanchard, Casualty Actuaries' President, Decries Opposition to Change

NEW YORK—Fire and casualty interests would do well to put their business in such shape that it will offer little opportunity for the same sort of treatment that the life insurance business received at the hands of the Temporary National Economic Committee, Ralph H. Blanchard, professor of insurance at Columbia University, declared in his presidential address before the Casualty Actuarial Society. He particularly decried the separation of the various lines of insurance into



R. H. Blanchard

water-tight compartments and the mental attitude which tends to cling to the status quo.

While agreeing that life insurance should be separated from other forms of insurance, Mr. Blanchard voiced the opinion that as far as a separation between fire-and-marine carriers and casualty companies is concerned the problem should be resolved by doing away with specific powers and permitting carriers to write any sort of insurance, other than life, not contrary to public policy.

Sees Dislike of Pioneering

"Oddly enough, opposition to extension of underwriting powers comes principally from those on whom the powers would be conferred," Mr. Blanchard observed. "They are in the position of preferring limitation of powers—like old men who shun responsibility and new problems, preferring to cling to past successes rather than to pioneer. I venture to think that much adverse criticism of the insurance business would not arise if its practitioners were as interested in developing new methods as they are in defending what they already have—if they sought as diligently for what is worthy in new proposals as for reasons against their adoption."

"Even between the lines written by the same carriers, one finds something of the same attitude. No talk on suretyship is complete without some attempt to demonstrate that bonding is not insurance, and that insurance methods, particularly in the determination of rates, are quite inapplicable to that field. Bonding men have an unwarrantedly high opinion of the mathematical perfection of their insurance colleagues' calculations, and a certain attachment to the pleasures of individual judgment and personal conference which makes them

(CONTINUED ON PAGE 20)

Socialization of Disability Is Seen in the Offing

Insurance Section of Illinois Chamber of Commerce Takes Action

At the meeting of the insurance division of the Illinois chamber of commerce, L. D. Cavanaugh, president of the Federal Life and chairman of this division, presided.

The meeting was well attended and all branches of insurance were well represented. It was evident from the discussions and comments that the institution of insurance is taking a very active and important part in all types of war activities.

It was pointed out that insurance companies are heavy investors in government bonds; that life underwriters organizations are very active and are producing splendid results in the sale of war bonds; that salesmen and home office employees are not only setting a good example in the purchase of war bonds, but are doing fine work in various types of war and defense activities.

There was considerable discussion relative to governmental trends to extend the social security act so as to include disability benefits of all kinds, with the resultant increase in social security taxes.

Broadening of Social Security Act

It was suggested that disability and hospitalization benefits undoubtedly would be included in any bill that may be introduced to amend the social security act, and that the benefits would not be started until a year or more after such amendment to the law might be enacted.

One speaker pointed out that such broadening of the social security act might mean the socialization of most types and branches of insurance. It was suggested that the greatest duty at the present time is to back up the country's needs for winning the war, and that it would be unfortunate for the citizenry if any governmental agencies failed to dissociate activities of this kind from the needs of the country in winning the war.

Should Inform Policyholders

The opinion was expressed that extension of the social security act undoubtedly would lead, in addition to socialization of insurance, to the socialization of medicine, government doctors, surgeons, etc.

Emphasis was placed on the fact that

(CONTINUED ON PAGE 42)

F. & D. Chairman Awarded Honorary LL.D. Degree



CHARLES R. MILLER

Charles R. Miller, chairman of Fidelity & Deposit, at the 75th anniversary convocation of trustees of Western Maryland College at Westminster, was awarded the honorary degree of Doctor of Laws.

He is a graduate of the college and studied law in the offices of the late Judge C. B. Roberts of Westminster, being admitted to the bar in 1884. Mr. Miller for two years was deputy clerk and register of wills of Carroll county circuit court. In 1889 he was day inspector under the late Governor Warfield when he was surveyor of the port of Baltimore. Mr. Warfield and a group of Baltimoreans launched Fidelity & Deposit in 1890 and Mr. Miller went along as legal clerk. After two years he took charge of the judicial department. He was elected vice-president in 1903, in charge of legal and claim activities; first vice-president shortly after Governor Warfield died in 1920, and president when the late T. A. Whalen died in 1924. Mr. Miller became chairman in 1941.

In point of service he is the oldest employee. He is regarded as the dean of the surety business.

Casualty Panel at Glendale

At a meeting of the Glendale (Cal.) Insurance Exchange, John Gurash, American Surety, and Davol Sanders, U. S. F. & G., led a panel discussion on "Comprehensive Liability." Willard Hayden, Globe Indemnity, spoke on "Burglary Insurance."

London & Lancashire Indemnity has moved its Detroit office to larger quarters at 1675 Penobscot building. Harold E. McPhee is special agent in charge of Michigan.

3D Policy Now More Appealing

Reduction in Minimum Premium for First Location Is Big Advantage

NEW YORK—W. J. LeMunyon, manager survey department of Fidelity & Casualty, has compiled a coverage chart for the comprehensive dishonesty, disappearance and destruction policy. In a bulletin issued with the chart, Mr. LeMunyon points out that the reduction of the minimum premium for the first location under the premises all-risks policy, announced by the National Bureau of Casualty & Surety Underwriters last week, also applies to the "comprehensive 3D" policy. This minimum was cut from \$100 to \$50.

Although nothing was said in the manual change specifically about the effect on the "comprehensive 3D" policy, Mr. LeMunyon points out that this should have a tremendous effect on the sale of the comprehensive contract, since it cuts the minimum requirement for the premises section in half and consequently should make the new form attractive to thousands of prospects who previously considered it too expensive.

His bulletin reviews the "comprehensive 3D" policy, emphasizing that it may be issued to stores, schools, colleges, hospitals, universities, breweries, utilities, manufacturing plants and any other type of risk except a bank, stock broker or public official. Further, if no insurance is carried under the fidelity and forgery sections, the coverage may be issued in favor of any federal or public official, deputy or employee. If limited to securities only, it may be issued to any assured except a bank. The transit section may be issued alone to any assured and the safe deposit section may be issued to any lessee of a safe deposit box.

Further, while the fidelity section may be written on an annual basis only, the premises, transit and safe deposit sections may be written for three years at 2½ annual premiums and the forgery section may be written for three years at a discount of 15 percent. Coverage may be brought under any or all sections. Another important point, Mr. LeMunyon emphasizes, is that all warranties in the limited burglary, robbery, safe and payroll holdup policies regarding watchmen, guards and protective devices are eliminated even though credit is still given in the rates.

Responsibility Bill in La.

An automobile drivers financial responsibility law has been introduced in the Louisiana legislature. It closely follows the New York act. The measure is sponsored by the New Orleans Safety League and is said to have the backing of chambers of commerce throughout the state.

New Field Opened in Compulsory Cover for Air Patrol

Three Aviation Groups Combine to Write P. L. and P. D. Under Plan

Public liability and property damage insurance in amounts of \$50/\$100,000 P.L. and \$50,000 P.D. must be carried by civilian pilots taking part in the new Civil Air Patrol which has been organized by the O.C.D. to relieve the military services of many flight duties connected with home defense.

The three main aviation underwriting groups in the country, Aero, Associated and United States, this week bulletined agents and brokers throughout the country particulars of the requirements and of the master policy held by the CAP. The new field is felt to offer large business possibilities for those who get into it early and contact civilian pilots and plane owners.

Employ Initial Term Plan

The initial policy terms will run to Sept. 2, 1942. A certificate will be issued under the policy to each CAP pilot applying for insurance and the policy also will cover additional assured including the CAP of the U. S. government, each officer or employee of the patrol while engaged in assigned patrol duties, the owner of each aircraft coming within the scope of the policy, and each passenger and crew member riding in the plane while it is being operated by a pilot insured under the policy.

For those securing coverage in May the premium to Sept. 2 would be \$9.50, June \$8, July \$7 and August \$5. These amounts are minimum premiums and no returns will be made. If certificates are mailed toward the end of the month the rate for the following month will apply if underwriters receive the certificate on or after the first day of that month.

The master policy affords coverage for public liability including passenger hazards as previously outlined, and property damage to all planes being operated by CAP pilots insured under the policy while the plane is being operated directly under CAP flight orders.

Contains War Risk Exclusion

The ordinary aircraft liability policy exclusions are contained in the form but the war risk exclusion has been amended so the policy does not cover any liability in respect to bodily injuries, or death resulting therefrom, or in respect of damages to or destruction of property result-

(CONTINUED ON PAGE 41)



At Casualty Actuarial Society Meeting in New York:

Joseph Collins, chief of the New York department's rating bureau; E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters; Ralph H. Blanchard, professor of insurance Columbia University and president of society; H. J. Ginsburgh,



assistant vice-president American Mutual Liability, who conducted the informal discussion session; C. G. van der Feen, statistician, and C. J. Haugh, actuary, National Bureau of Casualty & Surety Underwriters, both of whom presented papers.



Underwriting Gain of Stock Casualty Group 5% in 1941

**Mutuals' Profit 19.3%—
Wealth of Data in
National Bureau Exhibit**

Net premiums earned, country-wide, of all stock casualty companies licensed in New York in 1941 amounted to \$714,612,825 and the underwriting gain was \$35,430,813 or 5 percent. The mutual companies had premiums of \$196,626,363 and underwriting gain of 19.3 percent.

These totals are shown in the annual casualty experience exhibit that is gotten up by the National Bureau of Casualty & Surety Underwriters based on the report supplementary to the annual statement blank that is made to the New York department. The profit of 5 percent compares with 6.1 percent in 1940.

The decline in profit is attributable to the automobile line since automobile property damage produced the very considerable loss of \$9,116,880 and the gain from auto P. L. dropped from about \$10,300,000 in 1940 to about \$4,000,000 in 1941. Auto P. D. that was always counted on to provide a comfortable profit margin has been a real headache of the casualty business for the past year or two. In 1935, auto P. D. turned in a profit of \$7,289,291. This dropped to \$5,000,000 in 1936, to \$3,200,000 in 1937. In 1938, there was a profit of \$4,000,000 and then in 1940 was the first loss, it being \$3,334,855.

Surety Line the Best

The surety line gave the best account of any last year, the gain being \$11,878,133 and then came fidelity with a profit of \$8,606,274. In other words, fidelity-surety combined produced a profit of about \$20,400,000. Other lines well in the plus column were other liability \$8,223,325, burglary \$4,936,141, accident \$4,523,971, compensation \$3,018,735, which was about three times better than in the previous year, and other P. D. and collision \$1,203,924. Aside from auto P. D. there were no substantial losers. The miscellaneous lines produced a loss of \$856,230 and boiler and machinery combined a loss of about \$774,000.

In this edition are reproduced the figures from several of the interesting tables in the exhibit.

The casualty experience exhibit contains an analysis of individual company results, not only of stock companies but of mutuals and the totals for the mutuals are also given.

The mutual companies had net premiums earned of \$196,626,363 and they had a net gain from underwriting of \$37,889,511, or 19.3 percent. The mutuals were in the plus column on all lines.

Stock and Mutual Compared

The same tables giving aggregate results appear for the mutual companies as for the stock companies and in addition there are some tables setting down the experience of stock companies opposite those of the mutuals for handy comparison. Then there is a table giving the experience of the New York State Fund, the New York State compensation experience of stock companies, New York State compensation experience of mutual companies, a breakdown of the taxpayers mutuals and the taxicab mutuals.

The New York State Fund had premiums earned last year of \$22,479,315. Its claim expenses were 9.1 percent.

(CONTINUED ON PAGE 28)

COUNTRY WIDE EXPERIENCE OF CASUALTY COMPANIES

Underwriting Exhibit for the Year Ending Dec. 31, 1941, for Companies Entered in New York Prepared by National Bureau Stock Companies

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Premiums, Losses and Expenses		Total	Accident	Health	Auto	Liability	Other	Workmen's	Fidelity	Surety	Glass	Burglary	Boiler	Machinery	Property	Auto	P. D. & Coll.	Credit	Sprinkler
I. PREMIUMS		756,285.017	43,344.051	46,638.603	293,796.739	81,380.065	166,844.734	37,433.322	50,650.454	9,552.145	26,406.500	8,335.375	6,771.697	58,390.940	4,350.570	6,329.755	2,724.023	725.397	1,499.767
II. LOSSES		116,612.832	42,110.152	38,785.067	152,715.509	7,712,046.85	102,383,818	36,789,476	47,465,926	9,334,978	24,965,670	9,005,310	4,452,386	94,918,563	3,783,205	6,487,534	1,587,894	646,943	1,935,684
III. EXPENSES		283,686.095	15,921.435	25,990.643	81,557.679	22,043,333	79,657,733	7,332,349	9,732,432	8,873,517	5,921,353	992,452	1,206,385	29,958,354	1,813,205	1,352,107	163,295	159,848	435,684
IV. OTHER EXPENSES		317,176.317	16,244,266	27,288,152	94,194,605	23,295,291	92,176,178	7,081,779	4,789,515	3,914,432	5,993,858	1,237,176	1,605,054	33,841,125	2,025,280	1,776,030	222,923	208,920	1,309,983
Total		1,615,956.121	1,652,972	1,651,709	5,515,454	9,662,001	14,268,143	2,552,448	3,922,506	4,469,650	5,111,279	1,344,958	189,597	8,501,192	2,240,761	563,328	330,118	50,591	71,636
V. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
VI. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
VII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
VIII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
IX. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
X. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XI. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XIII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XIV. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XV. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XVI. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XVII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XVIII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XIX. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XX. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXI. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXIII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXIV. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXV. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXVI. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXVII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXVIII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXIX. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXX. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXXI. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXXII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXXIII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXXIV. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXXV. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXXVI. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXXVII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XXXVIII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XXXIX. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XL. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XLI. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XLII. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908,183	12,441,340	2,937,333	6,531,081	1,846,176	1,292,027	12,156,368	1,007,007	1,389,421	655,054	165,229	182,993
XLIII. PRODUCTION EXPENSES		328,333.931	1,587,926	2,839,981	115,450,189	9,962,927	106,643,321	9,814,327	8,382,316	4,362,632	7,111,217	1,372,328	1,764,651	42,382,317	2,310,941	2,339,458	910,118	259,811	1,372,619
XLIV. OTHER EXPENSES		143,198.041	11,921.38	5,448.987	38,991.78	16,850,625	21,690,293	6,908											

COUNTRY WIDE EXPERIENCE OF CASUALTY COMPANIES

Ratio of Losses and Expenses Incurred to Earned Premiums

	Stock Companies																	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Losses and Expenses	Total	Accident	Health	Auto	Liab. (Not Auto)	Workmen's Comp.	Fidelity	Surety	Glass	Burglary	Boiler	Machinery	Auto P. D.	Auto Collision	P. D. & Coll. (Not Auto)	Credit	Sprinkler	Miscellaneous*
1. Losses Inc. (Excl. all Claim Exp.)	44.4	38.5	70.3	48.9	30.0	56.8	19.2	10.0	41.9	24.0	15.5	36.0	61.6	53.4	27.4	8.6	32.4	145.7
2. Claim Exp. Inc. (Alloc. & Unall.)	9.2	3.9	4.3	11.0	12.4	8.8	6.9	7.1	4.8	4.5	1.7	3.6	15.5	7.5	8.7	15.1	7.9	8.0
3. Total	53.6	42.4	74.6	59.9	42.4	65.6	26.1	17.1	46.7	28.5	17.2	39.6	77.1	60.9	36.1	23.7	40.3	153.7
4. Commission Incurred	19.9	28.3	14.1	29.2	21.7	13.4	18.8	25.4	31.4	26.1	24.3	28.8	22.1	26.5	21.4	21.6	25.6	20.6
5. Other Production Exp. Incurred	5.3	5.3	2.0	4.9	5.1	4.1	10.2	9.5	6.5	7.2	9.9	5.4	4.9	5.4	4.9	5.9	8.8	3.4
6. Total	25.2	38.6	16.1	25.1	26.8	17.5	29.0	34.9	37.9	33.3	31.9	38.7	27.0	31.9	26.3	27.5	34.4	24.4
7. General Administration	9.4	9.5	7.5	7.9	10.0	8.9	13.2	13.1	9.9	10.7	11.3	11.8	8.1	8.8	10.8	22.2	10.8	11.6
8. Inspection & Bureau Expenses	2.4	.6	.1	1.5	5.5	2.3	.7	.9	2.4	1.8	38.3	16.6	1.3	1.4	1.8	.6	3.0	.3
9. Taxes, Licenses & Fees	4.4	3.3	2.8	3.6	4.7	3.9	7.6	9.2	3.4	5.9	4.5	5.0	3.1	3.6	6.5	5.6	5.5	5.9
10. Total	16.2	13.3	10.4	13.0	20.2	15.1	21.5	23.2	15.7	18.4	54.1	33.4	12.5	13.8	19.1	28.4	19.3	17.8
SUMMARY																		
11. Total Exp. Inc. Excl. Cl. Adj. Exp.	41.4	46.9	26.5	38.1	47.0	32.6	50.5	58.1	53.6	51.7	86.0	72.1	39.5	45.7	45.4	55.9	53.7	42.2
12. Total Exp. Inc. Incl. Cl. Adj. Exp.	50.6	50.8	30.8	49.1	59.4	41.4	57.4	65.2	58.4	56.2	87.7	75.7	55.0	63.2	64.1	71.0	61.6	50.2
13. Total Losses & Exp. Incurred	95.0	89.3	101.1	98.0	99.4	98.2	76.6	75.2	100.3	80.2	103.2	111.7	116.6	106.6	81.5	79.6	94.0	195.9
14. Net Gain from Underwriting	5.0	10.7	...	2.0	10.6	1.8	23.4	24.8	...	19.8	...	...	...	...	18.5	20.4	6.0	...
15. Net Loss from Underwriting	...	...	1.1	...	...	...	...	...	...	...	3.2	11.7	16.6	6.6	...	...	...	95.9

*Miscellaneous includes live stock, non-cancellable accident and health, auto fire, theft and embezzlement.

Mutual Companies

	Mutual Companies																	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Losses and Expenses	Total	Accident	Health	Auto	Liab. (Not Auto)	Workmen's Comp.	Fidelity	Surety	Glass	Burglary	Boiler	Machinery	Auto P. D.	Auto Collision	P. D. & Coll. (Not Auto)	Credit	Sprinkler	Miscellaneous*
1. Losses Inc. (Excl. all Claim Exp.)	61.7	32.6	43.1	33.7	59.2	32.8	11.6	43.3	26.6	12.1	29.6	63.7	61.7	38.3	...	...	...	18.7
2. Claim Exp. Inc. (Alloc. & Unall.)	8.7	4.5	9.9	12.3	7.1	7.4	.9	5.5	5.9	.7	1.8	13.8	7.7	6.3	...	...	...	2.7
3. Total	60.4	37.1	53.0	46.0	66.3	40.2	12.5	48.8	32.5	12.8	31.4	67.5	69.4	44.6	...	...	...	21.4
4. Commission Incurred	3.8	14.1	7.2	4.8	1.1	2.1	8.5	8.4	4.0	6.9	4.7	7.5	9.0	1.7	...	...	...	12.0
5. Other Production Exp. Incurred	5.0	4.4	6.6	5.4	3.7	9.3	8.1	9.3	9.5	6.4	6.5	7.0	6.0	7.2	...	...	...	...
6. Total	8.8	18.5	13.8	10.3	4.8	7.3	16.6	17.7	13.5	13.3	11.2	14.5	15.0	8.9	...	...	...	12.0
7. General Administration	6.8	9.1	7.5	8.0	8.9	16.0	11.1	9.9	10.6	7.1	7.1	8.3	8.1	6.4	...	...	...	26.9
8. Inspection & Bureau Expenses	2.3	.5	1.0	3.6	2.8	.1	.2	1.7	.8	30.6	14.6	1.0	1.0	1.1	...	...	...	7.7
9. Taxes, Licenses & Fees	2.4	2.3	2.2	2.4	2.4	2.3	1.8	2.3	2.4	2.8	2.6	2.2	2.5	2.1	...	...	...	2.5
10. Total	11.5	11.9	10.7	14.0	11.1	18.4	13.1	11.9	13.8	40.5	24.3	11.5	11.6	9.6	...	...	...	30.1
SUMMARY																		
11. Total Exp. Inc. Excl. Cl. Adj. Exp.	20.3	30.4	24.5	24.2	15.9	25.6	29.7	29.6	27.3	53.8	35.5	26.0	26.6	18.5	...	...	...	42.1
12. Total Exp. Inc. Incl. Cl. Adj. Exp.	29.0	34.9	34.4	36.5	23.0	33.0	30.6	35.1	33.2	64.5	37.3	39.8	34.2	23.8	...	...	...	44.8
13. Total Losses & Exp. Incurred	80.7	67.6	77.5	70.2	82.2	65.8	42.2	78.4	59.8	66.6	66.9	93.5	96.0	63.1	...	...	...	63.5
14. Net Gain from Underwriting	19.3	32.6	22.5	29.8	17.8	34.2	57.8	21.6	40.2	33.4	33.1	6.5	4.0	36.9	...	...	...	36.5

Stock Companies

Comparison of Earned Premiums and Underwriting Results for Calendar Years 1935 to 1941 Inclusive*

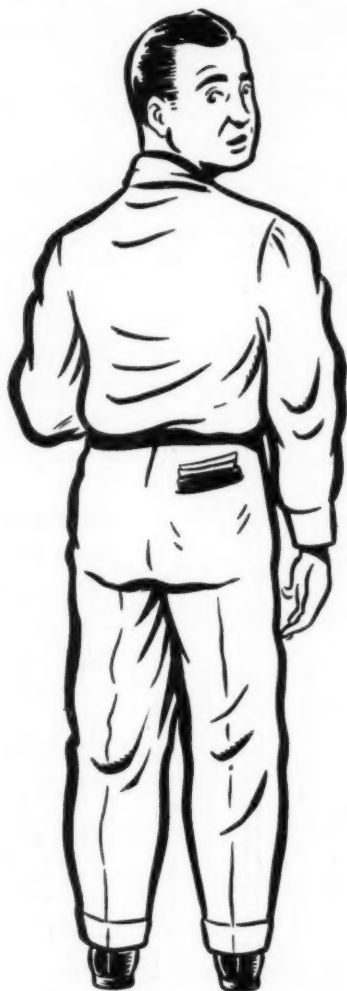
Line of Business	Premiums Earned (Net as to Reinsurance)							Percentage Increase in Premium Volume*							
	1935	1936	1937	1938	1939	1940	1941	Total	1935	1936	1937	1938	1939	1940	1941
Accident	29,349,479	31,434,267	34,443,899	35,268,203	36,907,101	39,274,971	42,211,072	248,888,992	7.1	9.6	2.4	4.6	6.4	7.5	43.3
Health	14,526,362	14,956,195	18,931,923	18,086,870	21,574,088	29,102,386	38,785,567	155,963,391	3.0	26.6	-4.5	19.3	34.9	33.3	167.0
Auto Liability	144,282,269	154,063,779	170,289,848	169,385,118	171,950,001	176,000,158	192,775,509	1,178,746,682	6.8	10.5	-1.5	1.5	2.4	9.5	33.6
Other Liability	59,679,462	64,700,142	70,480,868	70,782,126	72,914,296	75,583,894	77,720,658	491,861,446	8.4	8.9	.4	3.0	3.7	2.8	30.2
Workmen's Comp.	105,311,269	120,275,380	139,644,570	131,795,075	130,675,733	132,793,697	162,383,878	922,879,602	14.2	16.1	-5.6	-8.8	1.6	22.3	54.2
Fidelity	38,066,041	37,606,331	37,279,791	36,904,868	36,877,718	36,799,476	36,636,557	260,366,557	-1.2	-1.2	-1.0	-1.1	-1.1	-1.1	-3.3
Surety	34,516,527	38,040,845	39,742,290	39,352,667	43,202,032	42,944,688	47,852,225	285,651,280	10.7	4.5	-1.0	9.8	-6.6	11.4	38.6
Glass	9,150,679	9,350,267	9,097,920	9,296,999	9,312,385	9,270,168	9,334,978	64,393,396	-2.0	1.6	2.2	1.2	-1.5	.7	2.2
Burglary	23,557,287	24,054,367	24,066,815	24,426,346	24,071,404	24,062,188	24,962,670	169,741,077	2.1	2.3	-7.7	-1.5	-1.1	3.7	6.9
Boiler	6,720,426	6,811,161	7,239,974	7,543,695	7,662,792	7,735,240	8,008,310	51,721,598	1.4	6.3	4.2	1.6	9.9	3.5	19.2
Machinery	2,980,898	3,208,085	3,466,013	3,656,527	3,710,951	3,915,487	4,462,356	25,390,317	7.6	8.0	5.5	1.5	5.5	13.7	44.9
Auto P. D.	41,272,571	42,985,144	47,024,622	46,673,545	47,834,828	49,689,778	64,918,563	330,399,051	4.1	9.4	-7.7	2.5	3.9	10.5	33.1
Auto Collision	3,480,839	3,198,639	2,950,410	3,008,134	3,052,880	3,449,470	3,793,250	22,933,672	-8.1	-7.8	2.0	-1.5	13.0	10.0	9.0
Other P. D. & Coll.	2,194,897	3,278,253	3,907,358	3,935,209	4,610,345	4,874,191	6,487,534	29,287,787	49.4	19.2	.7	17.2	5.7	33.1	195.6
Credit	617,288	620,304	723,491	749,110	2,402,283	2,456,711	2,456,711	10,167,081	-5.5	16.6	3.5	220.7	2.3	5.3	319.2
Sprinkler	604,559	590,817	616,840	627,795	613,476	618,567	645,316	4,316,000	-2.3	4.4	1.8	-2.3	6.8	4.4	6.8
Miscellaneous	312,053	44,637	282,603	1,050,031	1,920,612	1,542,331	892,942	5,945,209	..	..	..	..	-15.3	-42.1	186.2
Total	516,602,956	554,818,613	610,729,241	602,542,318	619,192,928	640,146,257	714,612,825	4,258,645,138	7.4	10.1	-1.3	2.8	3.4	11.6	38.3

Line of Business	Amount of Net Gain or Loss from Underwriting*							Percent of Net Gain or Loss from Underwriting*							
	1935	1936	1937	1938	1939	1940	1941	Total	1935	1936	1937	1938	1939	1940	1941
Accident	502,330	2,337,109	3,144,668	2,396,756	2,104,665	3,130,055	4,529,971	19,515,574	7.7	7.1	6.8	8.4	8.7	10.7	7.8
Health	-591,214	-1,742,765	-499,746	-998,332	-558,490	-1,467,058	-422,241	-6,279,846	-4.1	-11.7	-2.7	-5.5	-2.6	-5.0	-1.1
Auto Liability	-9,449,916	3,186,156	6,117,355	16,572,568	13,662,792	10,332,540	9,325,304	46,846,799	-6.6	2.0	5.1	9.8	7.9	5.9	4.0
Other Liability	-1,778,866	1,171,926	5,098,793	4,327,118	4,980,505	7,067,761	8,223,325	29,090,562	-3.0	1.8	7.2	6.1	6.8	9.4	10.6
Workmen's Comp.	-2,982,094	691,147	8,998,925	8,299,919	3,192,482	1,005,372	3,018,735	22,224,486	-2.9	.6	6.5	6.3	2.4	.8	1.8
Fidelity	8,983,584	9,996,472	8,517,592	6,707,296	7,301,194	7,464,217	8,606,274	56,876,839	23.6	24.7	22.9	18.2	19.8	20.3	23.4
Surety	1,726,927	5,674,610	8,244,871	7,462,131	6,204,210	9,242,212	11,808,133	49,980,094	3.7	14.5	20.9	19.0	14.4	21.5	24.8
Glass	1,007,172	1,358,681	1,358,681	1,358,681	1,358,681	1,358,681	1,358,681	1,358,681	3.2	-3.2	-5.5	1.1	5.6	-3.6	-3.6
Burglary	4,387,749	5,393,130	5,020,663	5,195,856	4,678,455	4,642,290	4,936,141	24,401,605	19.3	22.2	20.4	21.6	19.4	18.3	18.8
Boiler	401,099	29,410	504,164	-394,845	-124,379	-94,138	-253,356	-976,371	6.0	4.4	-7.4	-5.3	-1.6	-1.2	-3.3
Machinery	287,106	-16,197	-195,749	284,642	509,930	55,476	-521,792	403,418	9.6	-5.5	-5.7	7.8	13.7	1.4	-11.7
Auto P. D.	7,289,291	5,057,971	3,262,782	4,014,604	1,410,327	-3,334,855	-9,116,880	8,583,240	17.6	11.8	6.9	8.6	3.0	-6.7	-16.6
Auto Collision	-60,460	31,785	-52,055	127,420	114,234	209,827	-250,430	120,321	-1.7	1.0	-1.8	4.2	3.7	6.1	-6.6
Other P. D. & Coll.	753,979	1,026,657	941,807	947,048	1,090,465	875,289	1,203,924	6,833,169	34.4	31.1	24.1	24.1	23.7	18.0	18.5
Credit	316,315	241,274	185,396	48,539	256,416	332,556	629,017	1,909,647	51.2	38.9	25.6	6.4	10.7	13.5	20.4
Sprinkler	130,171	-19,071	19,139	32,459	42,855	41,143	38,913	364,569	2.0	-2.6	3.1	10.5	15.1	6.7	6.0
Miscellaneous	-80,889	17,533	-2,379	-471,730	-357,907	-432,229	-856,230	-2,218,897	-25.9	-39.3	-8	-44.9	-19.7	-28.0	-95.9
Total	10,360,484	32,050,134	50,263,250	54,595,309	45,505,664	39,043,556	35,430,813	267,249,220	2.0	5.8	8.2	9.1	7.3	6.1	5.0

*Minus (-) sign denotes loss.

*Number of Companies included in this Exhibit:

	1935	1936	1937	1938	1939	1940	1941														
	58	59	64	66	77	78	77														
Comparison of Production Costs																					
Ratio to Premiums Written—Direct Business for Calendar Years 1935 to 1941 Inclusive																					
Line of Business	Commissions Incurred							Other Production Expenses Incurred							Total Production Expenses Incurred						
	1935	1936	1937	1938	1939	1940	1941	1935	1936	1937	1938	1939	1940	1941	1935	1936	1937	1938	1939	1940	1941
Accident	29.5%	29.6%	29.5%	29.7%	29.3%	28.8%	28.0%	4.6%	5.1%	5.1%	5.3%	5.2%	5.0%	7.8%	34.1%	34.7%	34.6%	35.0%	34.5%	33.8%	35.8%
Health	18.5	17.8	17.0	18.1	17.2	16.3	13.5	2.4	2.3	2.2	2.3	2.3	2.1	4.5	20.9	20.1	19.2	20.4	19.5	18.4	18.0
Automobile Liability	20.2	19.8	19.8	19.3	19.3	19.5	19.4	4.0	3.9	3.9	4.2	4.5	4.6	4.5	24.2	23.8	23.7	23.5	23.8	24.1	23.9
Liability (Not Auto)	20.7	20.0	20.9	20.9	20.9	20.7	21.0	4.2	4.1	4.2	4.5	4.8	4.8	4.7	24.9	25.1	25.1	25.4	25.7	25.6	25.7
Workmen's Compensation	13.8	13.5	13.5	13.3	13.3	13.4	12.9	3.7	3.7	3.6	4.0	4.3	4.4	4.0	17.5	17.2	17.1	17.3	17.6	17.8	16.9
Fidelity	19.3	19.0	19.3	19.6	19.9	19.6	19.7	8.6	8.5	9.2	9.5	9.4	9.4	9.2	27.9	27.5	28.5	29.1	29.3	29.0	28.8
Surety	24.6	24.9	25.0	24.7	25.5	25.6	25.0	8.0	7.8	8.5	8.6	8.6	8.6	8.4	32.6	32.7	32.5	32.5	34.1	34.2	33.4
Glass	31.2	31.8	30.8	30.9	30.7	30.9	30.7	5.6	5.6	5.8	6.4	6.3	6.6	6.3	36.8	36.7	36.6	37.3	37.0	37.5	37.0
Burglary	25.7	25.6	25.6	25.8	25.9	25.8	25.9	6.0	5.8	6.0	6.3	6.4	6.6	6.4	31.7	31.4	31.6	32.1	32.3	32.4	32.3
Boiler	21.9	22.1	22.2	21.6	21.8	22.0	22.3	9.7	9.4	8.1	9.8	9.9	7.6	6.6	31.6	31.3	30.3	31.4	31.7	29.6	28.9
Machinery	21.6	22.1	21.2	23.2	21.7	21.3	20.8	10.1	10.4	6.4	8.6	10.1	6.8	5.9	31.7	32.5	27.6	31.8	31.8	28.1	26.7
Automobile P. D.	22.0	21.6	21.6	20.7	20.6	21.2	21.0	4.8	4.1	4.2	4.4	4.5	4.7	4.5	26.3	25.7	25.6	25.1	25.4	25.9	25.5
Automobile Collision	23.4	23.9	23.9	23.7	23.3	23.0	23.0	5.2	4.7	4.5	4.9	4.8	4.9	5.1	28.6	28.6	28.1	27.6	27.7	28.1	28.1
Other P. D. & Collision	19.6	19.6	20.8	20.9	21.0	20.6	20.3	4.2	3.6	3.9	4.5	4.6	4.9	4.3	23.8	23.2	24.7	25.4	25.6	25.5	24.4
Credit	27.6	26.8	26.8	25.9	23.9	23.6	23.4	..	..	..	..	..	..	..	27.0	26.8	26.8	25.9	29.3	28.8	28.1
Sprinkler	21.8	22.3	22.3	22.6	22.6	22.4	22.5	8.9	8.1	7.8	7.9	8.6	5.2	4.7	30.7	30.4	30.5	31.2	30.4	30.1	30.1
Miscellaneous	30.1	7.3	20.3	14.7	15.1	10.2	12.4	..	..	..	..	..	..	..	30.8	7.7	20.5	15.1	16.5	12.1	14.2
Total	20.4	20.1	19.9	19.8	19.9	19.9	19.3	4.8	4.7	4.8	5.1	5.3	5.2	5.3	25.2	24.8	24.7	24.9	25.2	25.1	24.6



MONEY ON THE HIP...

This is the car owner you missed last year. He's one of twenty million who don't own Automobile Liability insurance. He's one of those who told you last year: "It isn't that I don't believe in insurance; it's just that I can't afford it."

He can afford it this year. He's got a share of that eleven billions in cash that's circulating right now. That's part of it in his hip pocket. He's in line for a chunk of that 113 billions estimated as this year's national income. If "price" was his only objection last year, this year he has no excuse at all.

He believes in insurance and he has the money. Happy combination! Even though he uses his car less this year, he still needs insurance protection, perhaps more than ever.

With so much work to be done, there's no time for worry. The smart motorist—and the patriotic one—will turn his worries over to his insurance man. Automobile Liability insurance does the worker's worrying, thus saving his energy for the Big Job.

THE TRAVELERS INSURANCE COMPANIES

HARTFORD, CONNECTICUT

N. Y. Study of Auto Experience

The New York department has released the results of its annual study of the automobile business of casualty companies licensed in that state. On the basis of earned premiums an analysis

is made of the various expense and loss ratios of the individual stock and mutual companies for automobile bodily injury liability and then the aggregate results are shown for property damage liability.

Stock companies last year had earned premiums on the automobile bodily injury liability class of \$192,677,091, an increase of about \$16,000,000. The loss ratio went up from 45 to 48.9 and the

net gain dropped from 5.9 percent to 2 percent. The mutual companies had total earned premiums of \$51,556,537, a gain of less than \$3,000,000 and they showed an improvement in the loss ratio with a 1941 result of 43 percent as compared with 44.8 percent the previous year. The expense ratio went up slightly from 33.9 to 34.3 percent. The net gain was 22.7 percent as compared with 21.3 percent in 1940.

On the property damage liability class the stock companies had premiums of \$54,918,746 as compared with \$49,261,229 and the loss ratio was 61.6 as compared with 53.1 in 1940. There was a net loss of 16.6 percent as compared with a loss of 6.9 percent the previous year. Mutual companies had premiums in property damage of \$14,549,086 as compared with \$13,341,771 and the loss ratio went up from 48.2 to 53.7. The net profit dropped from 14.4 percent in 1940 to 6.5 percent last year.

Casualty Companies Hold Own on Auto Writings

Most of the casualty companies so far this year have been able at least to hold their own and some have shown a pretty satisfactory increase in automobile writings. Such a result had been pretty generally predicted.

Apparently most motorists are continuing to keep their cars in operation even though making very little use of them and there is little disposition to drop the third party coverage because of the limited exposure. Then there is the fact that the effect of the new financial responsibility law in New York continues to be felt and the companies operating in that state have been getting some handsome increases so far this year. In other states, also, the uninsured motorist is being reached, particularly those in war work with flushed incomes and increasingly fewer places to spend their money. What the effect of the severe gasoline rationing in the east may be remains to be seen. Perhaps a good many people may simply put their cars away for the duration but on the other hand practically everyone that has a car has a few definite uses for it that to him at least seem essential. The possibility of selling his car for any sort of a price is very slim and most people will probably decide to keep their cars and at least consume 3 gallons of gas a week, merely running their cars to keep them in shape.

Claim Body to Hold Its Meeting

NEW YORK—The executive committee of the International Claim Association decided at its meeting here to go ahead with plans for the annual meeting and an announcement of the time and place will be sent out as soon as certain details have been definitely arranged, probably next week.

Those present included G. M. Day, Connecticut General, association president; W. E. Hein, State Mutual Life, chairman executive committee; L. L. Graham, Business Men's Assurance, secretary; F. L. Templeman, Maryland Casualty, treasurer; D. J. Reidy, Guardian Life of New York, F. T. Bernhard, Home Life of New York; R. D. Taylor, Sun Life of Canada; Lee Wilkes, Lincoln National Life; Clark Butterfield, National Casualty; P. J. O'Connor, General American.

On the following day there was a meeting of the special committee appointed at the last meeting to study uniform procedure in connection with group hospitalization insurance.

Mutuals' Surety Bill Killed

NEWARK—The bill introduced in the New Jersey senate, which would have permitted mutuals to write fidelity, surety and burglary insurance, has been killed.

STOCK COMPANIES AUTO BODILY INJURY LIABILITY

	Premiums Earned (Countrywide)	Underwriting Ratios (Countrywide)		Analysis of Incurred Expense Ratios (Countrywide)						
		Loss	Expense	Net Gain	Claim Adjust.	Acquisition & Field Supervision	General Administration	Inspection and Bureaus	Taxes and Fees	Federal Income Tax
Accident & Cas.	1,767,118	62.1	50.8	—25.6	11.7	32.0	14.0	2.1	3.7	...
Aetna Cas.	10,436,678	44.7	50.8	4.5	9.0	27.3	9.5	...	2.9	1.4
Aetna Life	2,976	...	...	...	...	...	...	...	...	...
Allstate	3,267,202	35.1	48.4	16.5	10.1	11.1	18.9	1.4	2.0	2.9
Amer. Auto.	10,917,080	39.3	48.5	12.2	10.7	28.9	5.4	...	2.8	...
Amer. Employers	2,726,603	55.5	48.8	—4.3	9.9	28.5	7.4	...	2.5	...
Amer. Fld. & Cas.	3,400,013	52.2	43.5	4.3	13.6	16.6	3.5	4.9	4.0	...
Amer. Guar. & Liab.	2,429	...	253.9	—153.9	...	105.8	118.1	4.2	25.8	...
Amer. Motorists	3,610,616	46.7	37.8	15.5	8.2	19.8	5.6	...	2.3	1.0
Amer. Policyholders	945,769	54.0	27.3	18.7	14.3	—5.6	14.5	3.1	3.1	...
Amer. Surety	1,162,882	39.5	62.7	—2.2	11.7	30.7	14.5	1.7	4.1	...
Arex Ind.	47,964	61.3	37.9	...	12.6	9.5	9.5	...	5.1	...
Associated Ind.	471,778	47.1	63.7	—10.8	19.2	31.6	6.5	2.8	3.6	...
Bankers Ind.	1,391,738	41.4	51.9	6.7	10.7	25.9	11.2	1.5	2.6	...
Car & General	2,146,448	56.2	49.7	—6.0	11.8	26.3	6.7	2.1	2.8	...
Central Sur.	2,432,863	60.5	43.2	—3.7	13.5	20.3	4.7	1.3	3.0	...
Century Ind.	2,408,345	57.2	48.7	—5.9	10.9	26.3	6.9	1.2	2.5	...
Citizens Cas.	695,808	71.0	55.6	—26.6	18.9	15.8	16.3	1.1	4.4	...
Columbia Cas.	936,092	52.0	54.7	—6.7	12.1	26.1	10.6	1.0	3.3	...
Commercial Cas.	3,100,413	54.3	55.7	—10.0	13.3	27.5	10.6	1.0	3.4	...
Conn. Indem.	826,537	47.9	48.7	3.4	9.1	29.8	4.2	2.3	3.4	...
Continental Cas.	5,997,290	58.1	48.0	—6.1	12.9	24.9	5.6	1.9	2.7	...
Eagle Ind.	1,586,108	63.7	45.3	9.0	10.7	24.4	5.2	1.9	3.1	...
Employers Liab.	7,228,735	54.3	44.2	1.5	9.8	24.6	7.7	...	3.2	—1.7
Fidelity & Cas.	5,818,499	51.2	48.9	—1.1	11.6	25.4	7.0	1.7	3.2	...
Fireman's Fund Ind.	1,675,490	42.2	53.4	4.4	12.1	26.2	9.9	1.7	3.5	...
Gen. Acc.	8,476,101	34.8	48.6	16.5	11.6	24.5	4.5	...	2.7	4.4
Gen. Casualty, Seattle	2,346,458	40.8	52.9	6.3	9.3	32.4	5.2	...	2.8	2.5
Gen. Trans. C. & S.	1,310,847	70.7	13.9	15.4	4.1	...	5.0	...	2.4	1.8
Globe Falls Ind.	2,116,994	43.4	56.6	...	11.1	30.9	9.3	1.7	3.6	...
Globe Ind.	5,718,387	52.2	43.3	4.5	9.0	22.3	5.3	2.9	2.4	1.4
Great Amer. Ind.	3,071,510	47.8	50.1	2.1	9.7	23.7	11.0	2.7	3.3	—3
Hardware Ind.	331,112	36.7	21.4	41.8	10.0	—13.6	18.5	1.9	4.4	...
Hartford Accel.	11,107,970	53.0	46.0	1.0	9.5	23.6	8.5	1.5	2.7	...
Home Ind.	2,081,210	50.1	46.8	3.1	9.8	28.6	4.1	1.0	2.9	...
Indem. of N. A.	3,824,562	50.3	13.5	20.0	11.5	20.0	8.9	1.1	3.3	...
KeyStone Auto Club	1,153,310	30.4	43.9	25.7	12.3	19.0	10.3	...	3.1	—1
London Guar.	1,519,619	51.6	53.8	—5.4	14.7	24.9	9.8	1.4	3.0	...
London & Lanc. Ind.	1,052,544	43.6	56.9	—5	12.5	27.2	12.7	1.5	3.1	...
Manufacturers Cas.	2,471,697	52.6	39.1	8.2	7.6	20.7	6.8	1.3	2.8	—2
Maryland Cas.	5,777,150	56.2	50.3	—6.5	12.7	26.5	6.1	1.5	3.5	...
Mass. Bonding	3,711,245	46.0	49.5	4.5	11.2	23.5	10.5	1.6	2.7	...
Merchants Ind.	661,150	44.9	54.0	21.1	12.6	26.9	9.1	...	2.3	2.9
Metropolitan Cas.	3,582,028	51.2	53.8	—1.5	11.5	27.6	10.7	...	3.1	...
National Cas.	453,827	65.2	48.8	—14.0	11.6	26.6	5.8	...	2.7	...
New Amster. Cas.	3,334,598	56.5	51.4	—7.9	11.5	25.5	9.2	1.8	3.4	...
New England Cas.	105,571	98.6	75.8	—74.4	8.3	39.8	17.7	5.2	4.8	...
New York Cas.	693,614	48.9	59.9	—8.8	14.2	30.5	9.0	2.1	4.1	...
Norwich Union Ind.	108,396	43.5	73.3	—16.8	18.0	29.4	18.2	2.7	5.0	...
Occidental Ind.	567,048	46.5	65.7	—12.2	15.2	31.3	13.3	2.8	3.1	...
Ocean Accel.	1,707,453	54.8	54.6	—9.4	13.6	24.2	11.6	1.6	3.6	...
Pacific Ind.	459,416	44.8	59.6	—4.4	5.1	25.7	9.0	...	3.6	...
Phoenix Ind.	1,101,693	50.4	47.4	2.5	9.7	41.7	6.7	1.3	2.9	1.1
Preferred Accel.	3,460,743	50.3	54.6	—9.9	12.3	29.4	7.3	1.9	3.2	...
Protective Ind.	467,010	61.2	46.8	—8.0	9.4	27.3	4.1	2.2	3.8	...
Royal Ind.	4,318,930	52.2	44.5	3.3	10.0	22.0	6.6	2.1	2.9	...
St. Paul Mer. Ind.	2,515,469	47.6	53.7	—1.3	13.3	26.7	8.1	2.3	3.2	...
Standard Accel.	4,117,721	44.1	58.4	—2.5	14.2	30.4	8.8	1.5	3.5	...
Standard Sur. & Cas.	1,184,750	63.8	54.5	—18.3	13.7	27.8	7.6	2.2	3.2	...
Sun Ind.	1,098,190	56.3	51.4	—7.7	15.4	21.6	7.4	1.0	3.2	2.7
Travelers Ind.	1,650,074	51.2	54.9	—6.1	10.7	28.5	10.3	2.2	3.1	...
Travelers Cas.	15,349,546	44.7	49.7	—5.0	14.7	26.2	7.8	1.7	3.2	...
United States Cas.	1,633,851	56.2	46.7	—2.9	11.6	24.7	6.6	1.0	2.8	...
U. S. Fld. & Guar.	6,820,696	45.4	50.5	4.1	10.8	25.3	7.9	1.6	3.2	1.7
U. S. Guar.	1,736,781	54.1	47.2	—1.3	9.1	24.2	9.9	1.0	2.7	...
Universal Ind.	180,128	38.5	44.8	16.7	8.9	20.0	7.9	3.3	1.9	2.8
Yorkshire Ind.	303,647	31.0	58.4	10.6	10.8	28.9	11.9	3.0	3.2	...
Zurich	4,070,570	47.0	50.9	2.1	13.0	24.5	8.8	...	3.5	1.4
Total Stock Companies, 1937..	171,610,939	47.5	47.4	5.1	11.4	24.3	7.0	1.2	3.5	...
Total Stock Companies, 1938..	171,216,340	42.1	48.2	9.7	11.8	23.6	7.4	1.2	4.2	...
Total Stock Companies, 1939..	171,949,001	43.4	48.7	7.9	11.8	23.6	7.8	1.4	3.0	1.1
Total Stock Companies, 1940..	176,428,453	45.0	49.1	5.9	11.6	24.4	7.8	1.4	3.0	...
Total Stock Companies, 1941..	192,677,091	48.9	49.1	2.0	11.0	25.1	7.9	1.5	3.0	...

MUTUAL COMPANIES AUTO BODILY INJURY LIABILITY

Amal. Mut. Auto.	260,479	47.6	42.2	10.2	17.8	...	20.8	...	2.9	...
Amer. Mut. Liab.	3,270,869	48.5	33.6	17.9	8.3	14.6	8.1	...	2.1	...
Butchers Mut. Cas.	276,657	44.2	43.1	12.7	10.7	16.0	8.8	5.0	2.6	...
Coal Merch. Mut.	63,805	55.5	79.9	—35.4	12.5	45.4	11.5	2.4	8.0	...
Electric Mut. Liab.	50,573	15.3	16.9	67.8	14.7	...	...	...	1.2	...
Empire Mut. Cas.	375,652	60.3	43.4	—9.7	23.0	7.5	9.0	...	3.5	...
Emph. Mut. Liab.	1,572,621	63.5	33.7	...	16.9	...	2.5	1.5	1.8	...
Exch. Mut. Ind.	272,548	33.1	34.8	3.2	8.0	...	...	...	2.6	...
Fact. Mut. Liab.	2,183,981	9.1	29.5	61.4	8.6	...	18.9	...	1.9	...
Farm Bur. Mut. O.	3,547,968	43.8	36.4	19.8	9.2	13.6	10.7	...	2.2	...
Hard. Mut. Cas.	5,468,948	44.2	33.6	22.2	10.6	13.8	5.7	1.4	2.1	...
Interboro Mut. Ind.	700,759	45.9	29.5	24.6	12.7	6.7	6.1	2.0	2.0	...
Jamestown Mut.	730,957	29.4	45.0	25.6	18.3	16.4	6.9	1.1	2.3	...
Liberty Mutual	10,757,221	50.2	27.8	22.0	8.8	9.8	6.3	...	2.0	...
Lumb. Mut. Cas., N. Y.	193,163	65.9	41.6	—7.5	13.3	11.5	12.0	2.1	2.6	...
Lumb. Mut. Cas., Ill.	13,126,013	37.8	36.4	25.8	8.8	18.6	5.7	1.2	2.1	...
Manh. Mut. Auto Cas.	1,280,732	47.0	43.5	9.5	16.7	8.4	12.6	2.8	3.0	...
Merch. Mut. Cas.	2,419,665	47.6	37.3	15.1	13.5	10.5	9.3	1.1	2.9	...
Mutual Cas.	2,176	...	118.3	—18.3	...	27.8	78.1	...	12.4	...
Nat'l Grange Mut. Liab.	1,268,237	36.3	35.2	28.5	10.4	11.3	10.8	...	2.5	...
N. Y. Pr. & Bkdrs.	8,524	16.8	27.5	55.7	6.2	4.5	13.2	...	2.7	...
Public Service Mut.	672,683	45.2	45.6	9.2	11.0	20.4	10.0	...	3.3	...
Security Mut. Cas.	358,694	28.2	33.0	38.8	8.4	19.1	3.4	...	1.9	...
Utica Mutual	2,683,611	43.7	39.9	10.4	9.3	21.0	6.7	...	2.6	...
Total Mutual Companies, 1937..	40,371,932	46.2	32.4	21.4	10.8	12.2	6.5	...	2.3	...
Total Mutual Companies, 1938..	45,868,376	43.9	32.3	23.8	10.4	12.2	6.4	1.0	2.2	...
Total Mutual Companies, 1939..	47,439,160	44.4	32.2	23.4	10.0	12.4	6.6	1.0	2.2	...
Total Mutual Companies, 1940..	48,708,588	44.8	33.9	21.3	10.9	12.7	7.2	1.1	2.0	...
Total Mutual Companies, 1941..	51,556,537	43.0	34.3	22.7	9.9	13.8	7.4	1.0	2.2	...

PROPERTY DAMAGE LIABILITY TOTALS

Total

"Prompt Paying Preferred"

50 ÷ YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 57 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

Allredge Quits Home Office Post

Becomes General Agent of Occidental Life—Anderson Succeeds Him

LOS ANGELES—F. B. Allredge, superintendent of the accident and health department at the home office of Occidental Life since 1933, has resigned to become general agent of that company in Stockton, Cal. He is succeeded at the home office by A. D. Anderson, for the



F. B. ALLREDGE

past year and a half division manager in Chicago, whose advancement to an important post in Occidental's agency organization was announced two weeks ago, when E. H. Ferguson was named to succeed him in Chicago.

Veteran in Accident-Health Field

Mr. Allredge has been in accident and health work for nearly 25 years and with Occidental Life 15 years. He was head of the accident and health department of the old Lion Bonding of Omaha and after it went out of business he was in general agency work in the central west for a number of years. After transferring his activities to the Pacific Coast, he served as manager of the Occidental in Portland, Ore., Oakland, Cal., and San Francisco before going to the home office.

He has been very active in the Health & Accident Underwriters Conference and has served as its first vice-president for the past two years. He is also member of the executive board of the National Association of Accident & Health Underwriters and was general chairman in charge of arrangements for

Auto Assigned Risk Plans Studied

Van Der Feen Summarizes Results of Operations in Various States

Experience of the various automobile assigned risk plans and a summary of results of all of the plans, except that of Massachusetts, was contained in the paper given at the Casualty Actuarial Society meeting at New York by C. G. van der Feen, statistician of the National Bureau of Casualty & Surety Underwriters. The plans embraced in the study are those of New Hampshire, Maine, Connecticut, Illinois, Washington, Vermont, New Jersey, Virginia and New York. The first such plan was that of the New Hampshire which was established May 10, 1938.

From 1938 to Dec. 31, 1941, there were completed under these plans 3,998 assignments and 414 were pending, incomplete at Dec. 31, 1941. The number of new and renewal policies issued was 2,733 or 68.3 percent of the assignments completed; 323 or 8.1 percent were rejected for cause; 824 or 20.6 percent were not taken by applicants and 118 or 3 percent were voluntarily written by designated carrier.

Total Premiums \$149,007

The total of automobile premiums written on assigned risks, P. L. and P. D. combined, was \$149,007 and the average in 1941 of P. L. and P. D. combined premiums on risks assigned was \$51.67. The administration costs in 1941 totaled \$12,605 or an average of \$3.88 per risk handled.

Premiums written in 1941 under the various plans were: New Hampshire, \$25,298; Maine, \$7,093; Connecticut, \$15,326; Illinois, \$8,375; Washington, \$29,455; Vermont, \$1,474; New Jersey, \$8,483; Virginia, \$6,511; and New York, \$3,011. The total in 1941 was \$102,330.

Mr. van der Feen observed that when individuals found themselves unable to secure auto liability insurance especially when required to furnish proof of responsibility, the situation came to the attention of the state authorities who requested the insurance companies to establish some method of providing for insurance for such of those risks as were in good faith entitled to it. To date in 10 states it is possible for such risks to procure insurance. The California plan is just getting under way.

When the New York plan was devised

its annual meeting in Los Angeles last June.

Mr. Allredge was guest of honor at a luncheon tendered by his home office associates before leaving to take up his new work. They presented him a handsome desk set.

last year it contained all the changes that were equitable and practical and had been agreed upon to date between the insurance departments and company and producer committees for the other states. Now the basic provisions in the New York plan are considered as a model for all similar plans. All of the plans except Massachusetts provide for an increase in rate to reflect a greater hazard and expense involved in this type of risk. Commissions allowed producers in all states except Massachusetts and Virginia are those prescribed by the acquisition cost conference. Producers, however, receive only a nominal payment for their services.

The plans are receiving the fullest cooperation on the part of all insurers as well as the state authorities. The objective of providing a means whereby insurance is granted the risks in good faith and entitled to it has been satisfactorily accomplished.

Gordon Scott with Colonial

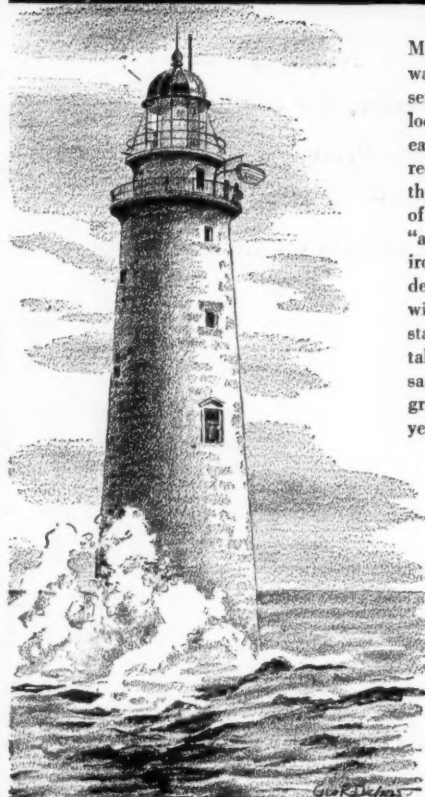
LOS ANGELES—Gordon Scott has been appointed production manager of the Colonial, compensation carrier which recently went on a stock basis. He has been with National Automobile in its home office here. Before coming to Los Angeles he had been with Aetna Casualty and Travelers in the east.

Long Arm Auto Law Applies Only to Owner in Oregon

PORTLAND, ORE. — The Oregon supreme court has held that the 1929 "long arm" law providing that non-resident automobile owners involved in automobile accidents in Oregon may be served in damage suits through the Oregon secretary of state, does not apply in cases where the non-resident does not own the car. The court held that James E. Pardee, Susanville, Cal., cannot be served in a damage suit because he was not the owner but only the operator of the car which collided with another automobile in Oregon City injuring Mildred Marshall, Oregon City. Attorneys for Miss Marshall sought to serve summons on Pardee through the secretary of state but the supreme court decision held that Pardee could not be served as long as he remains outside the state. The lower court had upheld the method of serving the summons, but Pardee appealed to the supreme court.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

Guardians of the Sea



MINOTS LEDGE LIGHT, MASSACHUSETTS BAY

Minots Ledge Light, one of the most notable wave-swept lighthouses of the world, represents an engineering job of first rank. It is located one mile offshore and 6 miles southeasterly of Boston entrance, on a dangerous reef awash at low water. This reef had been the cause of so many shipwrecks and the loss of so many lives that it rightfully was called "a graveyard of ships." The first tower, of iron frame structure, completed in 1850, was destroyed the following year in a great gale, with loss of the two light-keepers. Notwithstanding this disaster, steps were promptly taken for building another lighthouse on the same site. The present tower is a massive granite structure, completed in 1860, after 5 years of construction work on a sunken ledge.

As ocean travel became more prevalent, new lighthouses were built and old ones remodeled to give maximum protection on the water. Contributing its share toward preventing loss to ship and cargo, marine insurance has kept pace with the demand for more complete and widespread protection against hazards of the sea. Appleton & Cox, Inc., specialists in this field for nearly three-quarters of a century, maintains a world-wide organization, always ready to assist to the limit on all ocean and inland marine risks.

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street

New York

DECEMBER 31st, 1941

CAPITAL	\$2,000,000.00
Surplus	4,935,033.50
Voluntary Contingency Reserve	500,000.00
Reserve for Losses	4,824,318.79
All Other Liabilities	3,891,161.37
TOTAL ADMITTED ASSETS	16,150,513.66

NOTE: Securities carried at \$354,812.50 in the above statement are deposited as required by law.

CASUALTY • FIDELITY • SURETY
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INCORPORATED

OCEAN AND INLAND MARINE UNDERWRITERS

111 John Street, New York

BRANCHES IN PRINCIPAL CITIES



Passenger Car-Bus Now Is a Problem

Underwriting Problems Presented by Efforts to Move Frozen Stocks

NEW YORK—Conversion of trucks, and to a lesser extent of passenger automobiles, into buses to provide transportation for war industries workers to and from their homes is creating a new underwriting headache. While the premiums that these buses represent help offset the curtailed use of automobiles and its reflection in liability premiums, there are features about the operations of these emergency bus lines which might make them vastly more hazardous than regular buses.

First, there is the inexperience of the operators. Most of them are automobile dealers saddled with frozen stocks of cars and trucks but resourceful and enterprising enough to see the possibilities of converting their truck chassis into revenue producers. There is nothing in the freezing order to prevent a dealer from using his stock of vehicles for this purpose, although he is barred from selling them except to the relatively few persons who can qualify as buyers under the order.

It is important that these dealers charge a sufficiently high fare to make sure of hiring qualified drivers. This is made more difficult because it is hard to get a good man for, say, \$25 a week when he could get \$50 by working in a war plant.

Wood Bodies a Hazard

The physical character of the equipment also introduces an underwriting problem. While the chassis might be amply strong and even of a type well adapted to bus use the body presumably would be locally constructed and built of wood, whereas most buses are of steel construction throughout. Also a locally constructed body probably would have seats that were not too securely fastened and even insufficiently provided with handles for the benefit of standees.

In the event of a collision the wood frame of the body would offer little resistance to crushing and the seats would be readily ripped from their fastenings. The standing passengers are always the most severe casualties in any bus accident and the lack of secure handles would increase the number and severity of accidents among standees.

Fire Protection a Problem

Fire protection would be much more of a problem in a bus of this type than in a standard bus.

Though they would not necessarily reject liability and property damage coverage on a line using this type of equipment automobile underwriters feel they would want to check closely on the entire setup before accepting it. In the case of passenger automobiles converted to bus use the problem is somewhat similar, though not so acute at the moment. By rearranging the seats it is possible to carry as many as 10 passengers in a standard sedan that otherwise would have a capacity of only five or seven.

Travelers Safety Slogan

"An accident prevented helps US—An accident permitted helps our foes." This is the message on a red, white and blue poster now being distributed to industries throughout the United States where employees are protected by compensation insurance in Travelers.

The message was written by Vice-president Walter G. Cowles, 85 years old, who paraphrased a motto he invented 37 years ago, "An injury prevented is a benefaction; an injury compensated, an apology."

Pearce of Massachusetts Bonding, Chicago, Dies



J. STEWART PEARCE

J. Stewart Pearce, resident vice-president of Massachusetts Bonding in Chicago, died in the Lincoln hotel there. He was 56. His death, sudden and unexpected, was a result of heart disease.

Mr. Pearce had an outstanding career as an agent before going with Massachusetts Bonding in Chicago in July last year. A graduate of Massachusetts Institute of Technology in 1909, he entered the business in 1910 when he purchased a small agency in Tulsa, Okla. This became Pearce, Porter & Martin, which represented Massachusetts Bonding for many years. That agency grew with the community and is one of the outstanding agencies in the Southwest. Mr. Pearce served three terms as president of the Oklahoma Association of Insurance Agents, and was active in the National Association of Insurance Agents and the National Association of Casualty & Surety Agents.

There had been no inkling that Mr. Pearce was in ill health. Apparently the heart attack seized him very suddenly and unexpectedly. When his body was discovered last Saturday he had been dead about 24 hours. Mrs. Pearce was in Tulsa on a visit at the time. Mr. and Mrs. Pearce lived at the Edgewater Beach Apartments. In addition to Mrs. Pearce he is survived by two daughters.

Spencer Welton, vice-president of Massachusetts Bonding, went to Chicago immediately upon learning of Mr. Pearce's death, and then flew to Tulsa Monday afternoon for the funeral, which was held there. Mr. Welton will spend some time in Chicago looking after the affairs of the company there.

Bad Tire Accidents Increase

The New York motor vehicle department has already made an announcement that the number of accidents due to bad tires is showing a marked increase in the state.

Of course, the gasoline rationing amounts may change but it would seem difficult for the companies to get away from giving a class A-1 rating to an automobile owner who cannot possibly get gas enough to drive 7,500 miles a year and who can comply with the other requirements for this classification.

Another factor is that the insurance cost is going to become an increasingly larger share of the cost of driving an automobile as soon as a man can drive only 5,000 miles a year.

Enters General Liability Field

Empire Mutual Casualty of New York, which heretofore has confined its attention to the automobile lines, has now started writing general liability coverage.

When faced with an UNUSUAL insurance problem . . .

Let Indemnity help you with your most unusual risks. Long experience and exceptional facilities for dealing with difficult insurance problems are recommendations to consider. Indemnity is equipped to handle extraordinary types of general liability or contract to cover all business needs.

There is a practical, result-getting Plan or Organized Selling behind every Indemnity Agent during 1942. In May and June Agents will concentrate on Travel and Vacation Protection.

To aid Agents in this popular and profitable field, the Company has supplied a new Sales Folio—with a wealth of sales helps, fresh ideas, new hints and useful forms. . . . Let us give you the complete story of this successful Plan.

CASUALTY FIDELITY SURETY



CAPITAL \$2,500,000

Indemnity Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life.

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Complete nation-wide Insurance Facilities for Agents and Brokers

Underwriting Gain of Group 5% in 1941

(CONTINUED FROM PAGE 21)

general administration 6.2, inspection 2.3, taxes .5, total expenses excluding acquisition 18.1, acquisition .7, total expenses including acquisition 18.8, loss ratio 88.1 and loss and expense ratio 106.9. There was a loss of 6.9 percent. The loss ratio on a manual basis was 71 percent. The fund the previous year showed a profit of 5.1 percent, in 1939, a profit of 18.9, in 1938 a profit of 11 and in 1937 a loss of 1 percent. The earned premiums of the New York State Fund have been in the neighborhood of \$22,000,000 for 1939-40-41. In 1938 there was \$20,600,000 and in 1937, \$21,459,000.

Other Liability Analyzed

There is a breakdown of the various liability lines other than auto. For instance, in 1941, the stock casualty companies had total other liability premiums of \$74,250,817, and the gain from underwriting was \$8,024,149. Elevator P.L. amounted to \$5,089,351 and the gain from underwriting \$274,740; manufacturers and contractors P. L. produced premiums of \$15,491,165 and the profit was \$2,740,097; O. L. & T. produced premiums of \$39,822,693 and a profit of \$3,167,734; employers liability \$2,743,311 and \$539,056; product liability was \$3,786,336 premiums and \$709,743 profit; all other liability including contractual, druggists and physicians, workmen's collective, etc., produced premiums of \$7,317,961 and profit \$592,779.

The losses incurred ratio including allocated claim adjustment expenses for elevator P.L. was 22.1, manufacturers and contractors 30.2, O. L. & T. 39, employers liability 34.5, product 29, and all other 41.

Percentage-wise the net gain from underwriting in elevator P.L. was 5.4, manufacturers and contractors 17.7, O. L. & T. 7.9, employers 19.6, product 18.8 and all other 8.1.

The ratio of losses incurred of mutual companies (excluding all claim expenses) last year was 51.7 and for total expenses incurred the ratio was 28.6. For accident and health the comparable ratios were 32.6 and 34.9; auto P. L. 43.1 and 34.4; other liability 33.7 and 36.5; compensation 59.2 and 23; fidelity 32.8 and 33; surety 11.6 and 30.6; glass 43.3 and 35.1; burglary 26.6 and 33.2; boiler 12.1 and 54.5; machinery 29.6 and 37.3; auto P. D. 53.7 and 39.8; auto collision 61.7 and 34.3; other P. D. and collision 38.3 and 24.8; miscellaneous 18.7 and 44.8.

In 1941, stock companies had an underwriting profit of 1.8 percent on compensation and mutuals 17.8; auto liability, stock companies 2 percent and mutuals 22.5; other liability, stock 10.6 and mutuals 29.8. On auto P.D., the stock companies had a loss of 16.6 and mutuals a gain of 6.5; auto collision, stock a loss of 6.6 and mutuals a gain of 4; other P. D. and collision, stock companies a gain of 18.5 and mutuals 36.9.

CHANGES IN CASUALTY FIELD

Maryland Casualty Shifts Managers

Changes in the management of the Philadelphia and Detroit offices have been made by Maryland Casualty. Harry B. Quinn was transferred from Detroit to become Philadelphia resident vice-



H. B. Quinn



J. T. V. Keller

president. John T. V. Keller goes to Detroit as resident manager. He has been in St. Louis as resident manager under H. A. Martin, resident vice-president.

William J. Underwood becomes resident manager in Philadelphia under Mr. Quinn.

Mr. Quinn fills the vacancy created by the recent death of John W. Donahue, who had been head of the Philadelphia office for more than 41 years. Mr. Quinn has been in charge of the Detroit office since 1927, for the last eight years as resident vice-president. He spent his early years in insurance at Philadelphia.

Quinn's Long Experience

He started in 1902 as office boy at Philadelphia for William C. O'Neill & Sons, and went with General Accident in 1904. In 1910 he joined American Bonding, remaining until 1913, then entering the Philadelphia office of Maryland Casualty as burglary department manager. In 1916 he was made manager of the compensation and liability departments, and 15 years ago became resident manager at Detroit.

Mr. Keller has been connected with Maryland Casualty for 20 years, joining the St. Louis office when it was opened in 1922, as head of the automobile department. His department was extended to include burglary, plate glass, sprinkler leakage and water damage insurance. In 1935, he was appointed casualty manager, and in 1939, resident manager there.

Mr. Underwood started with Maryland Casualty at Philadelphia as office boy in 1910, and progressed to casualty manager.

F. & D. Changes in Richmond

The Fidelity & Deposit has appointed Fred C. Robertson resident vice-president in Richmond, Va. For 10 years

he has been manager there. Mr. Robertson succeeds Arthur M. Cannon, retired. F. C. Cochran, assistant manager, was advanced to manager, and G. H. Murdoch, special agent at Raleigh, N. C., to assistant manager in Richmond.

Reeve Retires as 4th Street Philadelphia Manager of Travelers; Webb to Post

Augustus H. Reeve, for nearly 38 years manager of the casualty department of Travelers' Fourth Street branch in Philadelphia, has been appointed advisory manager. He has been succeeded in his former post by Kenneth R. Webb, former associate manager.

Mr. Reeve has a distinctive record with Travelers. Not only did Mr. Reeve's initial appointment as manager coincide with the establishment of a casualty department in the Fourth Street office, but he served his entire 38 years as manager of that department.

He was one of the first managers in a big office, if not the first.

Mr. Webb joined Travelers as a field assistant in Omaha in 1923. Prior to his appointment in 1938 as associate manager at Philadelphia, he had served as assistant manager at Minneapolis and as manager at Denver, Omaha, Atlanta, and St. Louis.

George V. Fernandez, previously a field assistant in the Fourth Street branch, has been advanced to assistant manager. He joined Travelers in 1929, and served as a casualty field assistant at Newark, Albany, and Hartford before being transferred to Philadelphia in 1940.

Stock Now Claims Chief of Both Emmco Companies

Rodney F. Stock has been appointed assistant secretary of Emmco in charge

of the claim department. He has been assistant secretary of Emmco Casualty since August, 1941, and now has charge of the claim department of both Emmco Casualty and Emmco Insurance.

Mr. Stock started in insurance business in 1925 as claim adjuster with Phoenix Indemnity in California. In 1930 he went with Central West Casualty as claim manager at Detroit. In April, 1933, he was one of the organizers of Great Lakes Casualty and became its claim manager. He remained as assistant secretary in charge of



R. F. Stock

claims after the capital stock was purchased by D. F. Broderick.

In September, 1940, Mr. Stock left Great Lakes Casualty and joined Emmco Casualty as head of the casualty claim department.

Bramble Named Secretary of Maryland Casualty

Glen C. Bramble has been elected secretary of Maryland Casualty, succeeding the late John A. Hartman, who died May 12.

Mr. Bramble has been a member of the legal staff since he joined the company in 1934, and has been assistant secretary since 1935. He was born in Denver in 1902. Mr. Bramble came out of Harvard in 1923 and took his law degree at Harvard Law School in 1926. He practiced law in Boston for two years and spent the next six years with a New York law firm. For a year he was assigned to one of the firm's offices in Continental Europe. Practically all of his 16 years in law have been spent in dealing with corporate banking and securities questions.



G. C. Bramble

Peacock with Mass. Bonding

Alfred Peacock has been added to the staff of Massachusetts Bonding in Los Angeles to specialize in production work under F. R. Robinson, manager.

Mr. Robinson, formerly assistant manager, last week succeeded J. R. McKinney, who resigned to engage in a war industry. Mr. Robinson has had 20 years experience in the casualty and surety field, most of it in the Los Angeles territory. He formerly was with Globe Indemnity.

Bowie Named Vice-president

Washington Bowie, Jr., general counsel of Fidelity & Deposit and American Bonding, was elected vice-president of both companies. He is one of the F. & D.'s oldest employees in point of service, having joined in April, 1895. He was appointed general counsel in 1909.

Insurance Librarians Arrange Program for Their Group Meeting

The war emergency convention of the Special Libraries Association will be held at the Hotel Statler, Detroit, June 18-20. According to Mariana Thurber of Employers Mutual Liability, Wausau, Wis., insurance group chairman, insurance librarians will find much of interest in the program. There will be four insurance round-table sessions on "War Files," "Legislative Material," "Study of Best Works in General Fields Included in Insurance Libraries," and "Educational Work in the Insurance Field." Featured speakers at these sessions will be Miss Pat Kleiman, Ohio Farm Bureau; Miss Evelyn Waterloo, J. S. Kemper & Co., Chicago; P. M. Schmidt, Hardware Mutual Casualty, and Miss Maryalice Thoms, Phoenix Mutual Life.

The insurance group will also participate in two joint meetings on "Washington Libraries and the War" and "The Problems Created by the Discontinuance and Alteration of Statistical and Other Information Sources."

Agents Given Bronze Plaques

Bronze service plaques were presented by Standard Accident to C. K. Salisbury & Son, Mt. Vernon, O., who have represented the company for 35 years, and W. St. Clair Childs, Pittsburgh, for 25 years.

COUNTRY WIDE EXPERIENCE OF CASUALTY COMPANIES

(CONTINUED FROM PAGE 22)

Production Cost of Direct Business

Line of Business	Net Premiums Written on Direct Business	Commissions		Other Production Expenses		Total Production Expenses		Ratio to Premiums Written	
		Incurred	Incurred	Incurred	Incurred	Incurred	Incurred	Com-mission%	Other Production Expenses
Accident	\$ 46,043,589	\$ 12,896,151	\$ 3,600,143	\$ 16,496,294	28.0%	7,397,913	15.5%	13.5	4.5
Health	40,907,646	5,531,931	1,855,982	7,387,913	18.0	50,193,453	19.4	4.5	23.9
Automobile Liability	209,745,042	40,792,693	9,400,760	50,193,453	24.2	21,752,376	10.4	4.7	25.7
Liability (Not Auto)	84,749,134	17,747,061	4,005,315	21,752,376	20.8	28,578,586	33.6	12.9	16.9
Workmen's Compensation	168,761,623	21,879,330	6,699,256	28,578,586	16.9	12,085,864	7.2	9.2	28.9
Fidelity	41,869,383	8,229,977	3,855,887	12,085,864	29.7	18,420,044	44.0	25.0	8.4
Surety	55,083,748	13,794,152	4,625,892	18,420,044	33.7	3,547,310	6.4	30.7	37.0
Glass	9,569,895	2,941,485	605,825	3,547,310	37.0	9,111,778	25.9	7.4	32.3
Burgary	28,175,278	7,296,818	1,814,960	9,111,778	22.3	2,677,027	9.5	22.3	6.6
Boiler	9,248,598	2,066,490	610,537	2,677,027	28.8	1,992,787	21.0	20.8	5.9
Machinery	7,484,388	1,554,370	441,417	1,992,787	26.6	15,072,909	21.0	4.5	25.6
Automobile P. D.	59,091,603	12,393,598	2,679,311	15,072,909	25.9	1,080,012	20.1	4.3	24.4
Automobile Collision	3,849,203	885,983	194,029	1,080,012	28.1	924,331	23.4	4.7	28.1
Other P. D. & Collision	7,498,191	1,506,174	322,473	1,828,647	24.4	224,533	22.5	7.7	30.2
Credit	3,292,705	770,848	153,483	924,331	28.1	259,723	12.4	1.8	14.2
Sprinkler	744,361	167,484	57,049	224,533	30.2				
Miscellaneous	1,820,932	226,411	33,312	259,723	14.2				
Total	\$777,935,319	\$150,680,956	\$40,955,631	\$191,636,587	19.3	5.3	24.6		

Boiler-Machinery Completely Revised

(CONTINUED FROM PAGE 19)

the actual average changes in the premiums for such classifications. Because of the elimination of the basic charge in connection with certain boiler classifications and premium gradation plan on all boiler and machinery risks over \$500, the effect on an individual risk may be an increase or a decrease of premium depending upon the existing conditions.

Under the graded premium plan, the top commission to general agents on the premium in excess of \$3,000 is 15 percent instead of 25 percent as in the past; the commission is 10½ percent instead of 17½ percent to the producer.

Can't Combine the Premiums

The premium for a single policy determines the discount. Boiler and machinery for a given insured may not be combined but U. & O. and other optional coverage premiums are to be combined to determine the discount applying to boiler or machinery.

In the past in connection with boiler insurance there was a basic charge plus a location charge depending upon whether the plant was located in district 1, 2 or 3 and also an object charge. The location and basic charges varied in accordance with the limits per accident whereas the object charge remained constant. To give an example of the difference in procedure, assume that a \$25,000 per accident policy is being written covering a horizontal tubular boiler. In the past there was a basic charge of \$47 and if the plant were located in district 1, there was a location charge of \$12.50 and the object charge was \$34 or a total of \$93.50. Under the new program the object charge for this particular boiler is \$61 and the insurance charge is \$28 or a total of \$89.

However, if there were two locations

under the former plan the charge for the second location would be the object charge plus the location charge or \$46.50 if the second boiler were also located in district 1. That would make a total for the two locations of \$140. Under the new plan, the charge for the new location would be the sum of the basic charge and the insurance charge of \$89 and the premium for the two locations would be \$178.

Object Charges Revised

The object charges for boiler insurance have been changed materially mainly in an upward direction.

To give a few examples, furnace explosion, solid fuel, has been cut about 25 percent and liquid fuels cut about 2 percent. Residence boiler furnace explosion has been cut 20 percent. Personal injury has been cut about 50 percent on boilers.

The object charge for unfired vessels has been increased from about 25 percent to 75 percent. The rate for expediting charges has been reduced 50 percent. U. & O. and outage rates are increased about 10 percent.

In connection with machinery the object charge for steam engines is about 90 percent higher; miscellaneous machines and compressors are increased from about 20 to 30 percent; electric motors and generators about 30 percent; transformers increased from about 10 to 30 percent; U. & O. and outage has increased about 15 percent and expediting charges are reduced about 33 percent. There have been no changes in the insurance charges for machinery covers.

DELAY IN MASSACHUSETTS

BOSTON—Commissioner Harrington of Massachusetts has asked each of the bureau company members to suspend application of the new boiler rates and rules insofar as this state is concerned, until he has had opportunity to make thorough study of the changes.

Eye War Problems of Truckers

(CONTINUED FROM PAGE 19)

far as the insurance is concerned. There have been some heavy losses on government loads, he said. Perhaps rates should be based on released bills of lading. This has been done in trucking before, in connection with silks and other items. This type of business should pay its way, he said.

On the debit side of the situation, all usable automobile equipment has been pressed into service, terminals are congested, new and untrained men are employed in trucking operations, and now munitions are being moved by trucking companies, he said. On the credit side, government supervision of loading, use of convoys, sealing of loads, and other special care make for safer risk. However, no amount of care is enough to offset lack of adequate premium for the load.

Companies Have Capacity

Underwriters either possess or can obtain capacity for cargo liability when called upon, Mr. Barthelmes said.

Col. Johnson said that in government owned munitions establishments there is a rule that if the fire is a small one to be handled quickly with one extinguisher, there should be an attempt to put it out. Otherwise instructions are to run as fast as possible. There is one exception. If a truck catches fire near a large war plant or in a congested area, considerably more effort should be made to extinguish the fire and attempt to prevent an explosion.

Col. Johnson was asked if a car running into a truck would be sufficient to detonate a load of ammunition. He said he did not think so because ammunition is very carefully and sturdily packed. The principal hazard is fire.

Eventually the Interstate Commerce

Commission may specify certain minimum standards for equipment hauling ammunition, it was said.

A number of insurance people were on hand for the convention besides the two speakers, including J. W. Smith and Frank Cosgrove of Employers Reinsurance; Charles Ray and Russell Knight of Markel Service; W. Dean Keefer, second vice-president Lumbermens Mutual Casualty, representatives of Commercial Standard, and insurance men from Chicago.

Chicago Sales Gathering to Be Held by Travelers

Travelers and Travelers Indemnity will hold an all-day sales meeting at the Stevens hotel, Chicago, June 8, with James White, manager casualty department there, presiding.

A number of officials will attend from the home office. R. N. Allen, assistant superintendent of agencies of the casualty department, will speak on "Those White Flags Aren't Ours." James C. Smith, secretary of the bond department at the home office, was scheduled to speak on "Bond Requirements," but due to illness will be unable to attend. His address will be given by another home office man.

Joseph G. Bulmer, assistant casualty manager in Chicago, is to talk on "Burglary and Robbery Insurance." Following lunch there will be a talk on "Public Liability Insurance" by A. N. Graves, agency assistant at the home office, and Homer D. Sherwood, assistant supervisor of agency field service at the head office, will speak on "Comprehensive Liability Insurance."

A question and answer period will follow each talk and Manager White at the end of the day will sum up the addresses.

Mid-Western Casualty of Des Moines has moved to its new home office at 818 Liberty building. It formerly had offices in the Empire building.

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FIRE and ALLIED LINES

Warns Insurance to Modernize or Face TNEC-Type Probe

(CONTINUED FROM PAGE 19)

allergic to statistical and actuarial practices.

"In the fire-and-marine field, the enterprising and strangely named inland-marine departments were finally forced to limit their efforts to write insurance against loss instead of against loss due to this and that individual (and traditionally hallowed) cause of loss. Under the nationwide definition and various strangling statutes the field has been divided among the various types of underwriters, and the fire departments of some carriers have been saved from the encroachments of their own inland-marine departments.

"Nowhere does insularity show itself more clearly than in insurance regulation and there particularly clearly in the difficulty experienced with rating and coverage of interstate risks, whether in the casualty or in the fire field. Every sign points to the desirability of coverage, and rating systems co-extensive with insured business units. But try to write an all-inclusive contract, even for a single line of insurance, and rate it and sell it on a sound basis adapted to a modern nationwide industrial or commercial business. You will find varying contract requirements, resident-agent laws, prohibition and limitation of generally accepted rating methods, no rate regulation in one state and strict regulation in another. Efforts to cut across these difficulties run afoul of the regulatory authorities who are often torn between local interests, desire to enforce the law, and a realization that interstate activities call for interstate methods.

Courts Would Back U. S. Rule

"The weight of authority among students of constitutional law supports the belief that, if Congress chose to enact regulatory insurance legislation, it would be sustained by the federal courts. A judge of the supreme court of Tennessee has recently said that 'it may be conceded that in the prosecution of its insurance business it [a life insurance company] is engaged in interstate commerce.'

Mr. Blanchard said he took no position on the relative desirability of state and federal regulation but suggested that anyone interested in the subject would do well to read chapters 19 and 20 of Van Metre's "Transportation in the United States," published by Foundation Press, Chicago, to learn how it came about that the "encroachment of federal power upon state power has been such that the states have been compelled virtually to abandon the whole field of railroad regulation."

CITES TNEC TACTICS

In indicating what might be in store for the fire and casualty business, Mr. Blanchard remarked on "the use that was made of the financial manipulation of relatively unimportant life insurance companies," linking this statement with a passage from Van Metre's book to the effect that the Hepburn act providing for drastic federal control of the railroads, was close to defeat when "some particularly scandalous financial manipulation among the southeastern railroads became a matter of public knowledge." Mr. Blanchard also noted the "view-with-alarm tactics of certain life insurance people who gave the hearings wide publicity and, I believe, gave the investigators ideas that might not otherwise have occurred to them."

"Sore spots existed in the life insurance business and they were dramatized," he said. "With the passing of the war emergency, renewed interest in the fire and casualty insurance business may be expected. The best way to meet such interest is by eliminating sore spots in these fields.

"States and insurance groups, sniping away at each other from their separate

islands, might do well to ponder the possibilities of constructive cooperation in the interest of building an improved structure. I prefer to think of representatives of stock and mutual carriers sitting at the conference table to develop a standard automobile policy, rather than appearing before a congressional committee to discuss their relative contributions to the Treasury."

Reasons for Separation Weak

Mr. Blanchard said that while the historical reasons for the separation of the fire and marine carriers on the one hand and casualty carriers on the other are clear, these reasons are not persuasive when one analyzes the functions of the two types of carriers. It was desired to make a functional division, he suggested that at least it should not be necessary to purchase insurance from two different types of carriers in order to cover the loss of a single piece of property and that the division should be between non-conflicting forms of insurance, such as insurance against loss of physical property, third-party insurance, bonds, and disability insurance.

Stating his own belief that carriers should be allowed to write any sort of insurance, other than life, not contrary to public policy, Mr. Blanchard said he would hope to see the companies making full use of such broadened powers and insured responding to their opportunity not only to purchase broad coverage but to obtain it under a minimum number of contracts without division of responsibility.

Lauds Extended Coverage

Mr. Blanchard praised the development of the practically nationwide provision of extended coverage, which he termed "an extension by endorsement of the fire policy far in the direction of all-risk coverage, achieved only after much travail and over the dead bodies of assorted separate policies covering windstorm, explosion, riot, hail, aircraft, and such." He observed however that "certain causes of loss sacred to the casualty carrier are omitted or excluded from the endorsement, although Texas permits it to cover loss due to explosion of steam boilers and related objects 'located off the premises insured' if the loss occurs to dwellings or similar specified property."

"A nurses' home may secure this item of coverage if it is of nonfireproof, but apparently not if it is of fireproof construction," he said. "A very nice distinction. Canada is reckless enough to permit it for any kind of property."

Casualty insurance coverage has been divided by subject matter of insurance rather than by causes of loss and liability coverage which has been issued separately for a variety of items is now being brought together under comprehensive forms, he said. Commenting on the success of underwriters in preventing the personal property floater from being written into the New York insurance code after it was included in the early drafts, Mr. Blanchard said that they did this, "apparently to protect themselves against their own possible lack of underwriting control and to avoid any change in the settled lines between fire-and-marine and casualty jurisdiction. They feared that perpetual bugaboo, disturbance of the business."

VIEW AS EDUCATOR

Speaking as an educator, Mr. Blanchard said he had long advocated a functional approach to insurance—basic study of the underlying facts and theory as they cut across the whole insurance institution. It is natural, he said, that with insurance developing along specialized lines, education has followed. He said he seemed to find the increasing sympathy for educational synthesis and

expressed the hope that it might contribute something to the growth of a less parochial outlook in the insurance business than has been in vogue heretofore.

Agents and brokers handling applications for coverage under various assigned risk plans can eliminate much unnecessary delay and correspondence if all applications are fully completed when submitted, according to C. G. Van der Feen, statistician National Bureau of Casualty & Surety Underwriters. He said that approximately 80 percent of all applications received for coverage under the various plans are received incomplete in one or more particulars. Although most of the missing information is not of vital importance, a great deal of really essential underwriting information is consistently omitted, resulting in delay and correspondence.

Shouldn't Seek Declinations

It is essential to the successful functioning of any assigned risk plan to make certain that producers and company underwriters thoroughly understand its provisions and submit applications and investigate them as respects all essential requirements, he said. Producers must guard against soliciting declinations as such and must make a real effort to obtain voluntary coverage rather than ask that a risk be declined.

As far as the administrators of the plan are concerned, they must guard against taking an arbitrary stand as respects technical compliance with every single requirement, as a great deal of incomplete and unessential information can be developed by the designated carrier when it investigates the risk. Subscribing carriers receiving risks assigned to them under the plan should make a real effort to complete their investigation within the prescribed period of 15 days in order to avoid complaints of undue delay in granting coverage.

States Should Cooperate

Mr. Van der Feen also said that state officials in charge of motor vehicle departments, licensing departments, and insurance departments should continue to cooperate by refusing to license or relicense owners and operators if investigation develops that in the interest of public safety they should not be permitted to drive—whether or not they can obtain insurance voluntarily or under any assigned risk plan.

The largest single group of applicants are those required to file evidence of financial responsibility as distinct from those who do not have to meet such requirements but simply desire insurance protection. Other large groups are those physically disabled in one way or another, and those who have had one or more accidents during recent months for which they have been convicted. The majority of the latter are those who have been convicted at least once for intoxicated driving while a smaller group includes applicants with a recent high accident frequency. A surprising number of applicants under the plan are individuals aged 70, 80 or more, while a smaller group includes individuals who conduct questionable or possibly illegal business enterprises.

Mr. Van der Feen said the assigned

risk plans now in effect are receiving the fullest cooperation from the companies and although a few practical problems remain the plans as a whole have satisfactorily solved the problem of granting insurance coverage to eligible risks in good faith entitled to insurance but unable to obtain it for themselves.

URGES BUDGETS

W. F. Dowling, assistant manager Lumber Mutual Casualty, said that answers to a questionnaire recently sent to 50 casualty companies indicated a distinct interest in budgetary control. There are amazing possibilities in the application of such a method to the casualty business, he said, and the urgency for serious study of such a plan of operation and control is emphasized by the many recent innovations in the business. Some of the more important changes which definitely involve an increase in the cost of operation or a decrease of the premium charge without a corresponding decrease in hazards assumed are retrospective rating plans, graduation of expense loadings, cost-plus-a-fixed-fee basis of writing coverage for defense and war construction, and the unknown cost involved in the continued broadening of coverage granted.

Tells How to Set up Plan

Mr. Dowling's paper described an approach to the problem of analyzing, organizing, deputizing and supervising the operation of a budgetary plan by which operating expenses can be charted on a basis that will have a predetermined percentage relationship to the estimated premium income for the same period.

This is the opportune time to win the approval and cooperation of the chief executives of the companies for a budgeting setup, Mr. Dowling declared. Executives must now realize that the days when excessive administrative costs could be hidden in rates have gone forever and that budget control is the answer, he said.

In his paper giving an actuarial analysis of retrospective rating, T. O. Carlson, assistant actuary National Bureau of Casualty & Surety Underwriters, stressed the great flexibility inherent in the retrospective rating principle and the wide variation in its possible applications. This principle underlies not only the retrospective rating plan now effective in most jurisdictions for workmen's compensation but also such plans as the Pennsylvania Plan I for workmen's compensation on national defense projects and the comprehensive rating plan for national defense projects.

Suggests Classifications

After discussing the variable elements, numbering more than a dozen, in the general formula, Mr. Carlson suggested a classification dividing all plans into two groups according to the manner of treating expense items, and two independent groups according to the treatment of credibility, with subsidiary group according to the special conditions imposed upon the minimum and maximum premium limitations. The main section of his paper was devoted to the development of general formulas for the various types of plans, an analysis of the average premium in terms of expense and loss elements, an analysis of individual

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risk premiums under various conditions, the problem of computing rating values for a given plan, and an analysis of the interdependence of the rating values.

In discussing the so called "premium return" type of plan introduced some months ago in Pennsylvania for defense projects, Mr. Carlson said that under this procedure the premium is determined by deducting a return premium from the standard premium, the return premium being determined by applying a "premium return factor" to the loss savings measured from a specified loss allowance. This percent of loss savings to be returned is a factor which distributes the amount made available through the reduction of expense provisions under the plan to risks with favorable loss ratios in direct proportion to the loss savings on such risks. Mr. Carlson demonstrated that the premium return formula and the ordinary retrospective rating formula are identical, the percent of loss savings to be returned under the former being mathematically equivalent to the loss conversion factor in the latter.

Many material advantages in the use of punch cards for a premium accounting where indicated in a paper presented by D. M. Pruitt, actuary General Accident. The bulk of the paper dealt with the difficulties and objections encountered in setting up a completely automatic alphabetical punch card system and how they were overcome in one company's installation.

COMPREHENSIVE PLAN

C. J. Haugh, actuary National Bureau of Casualty & Surety Underwriters, presented a paper dealing with the evolution and present status of the comprehensive rating plan. He analyzed the rating values in the government's cost-plus insurance plan and said that they appeared to be adequate provided a company operates efficiently but that there seemed to be little chance of profit. Among possible improvements Mr. Haugh suggested that the government plan would be simplified if there were only one tax multiplier. This would not introduce any serious error since most of the risk is workmen's compensation anyway.

In connection with manufacturing operations involving manufacturing or handling of explosives Mr. Haugh said that the 2 percent additional charge allowed for the abnormal hazard on these risks is inadequate in the light of current reinsurance quotations. In the present reinsurance market a charge of 2 percent of the standard premium is made for insurance of \$1,000,000 in excess of \$100,000 for any one accident, provided such loss is also in excess of the maximum premium under the plan.

Since many plants conducting these operations are located far from congested areas and in states where workmen's compensation benefits are such that the probability of a single accident resulting in a loss greater than \$100,000 is somewhat remote, Mr. Haugh said that in view of the substantial premiums on these projects, "it is obvious that a reinsurance contract which requires that the maximum premium, amounting to 90 percent of the standard premium, be exhausted and then provides that the reinsurer participates only in those losses in excess of \$100,000 on any one accident does not afford the direct writing carrier very generous coverage for his 2 percent. At the same time carriers wish protection against this catastrophe hazard regardless of how remote the probability of loss may be, for no carrier writes a sufficient volume of this class of risk to accumulate an adequate fund to absorb catastrophe losses. It appears desirable if not essential to give serious consideration either to the establishment of some better market for reinsuring the hazard or to a modification of the plan to increase the 2 percent available for the purchase of reinsurance," he observed.

"It may be expected that as the war progresses there will be a constant in-

crease in the amount of business written under the plan," Mr. Haugh said. "It also may reasonably be expected that after the war policyholders who have been insured under the plan will wish to continue their insurance on a basis which provides for adjustment of the premium to directly reflect the assured's own experience under the policy. Large risks can well afford to pay for their own normal workmen's compensation losses. Their real need is for claim and accident prevention services and for insurance against abnormal losses. This in effect is the coverage afforded under the comprehensive insurance rating plan and very probably is the type of coverage which will be demanded by large assureds in the future.

"Regardless of any other effect which the plan may have on the writing of business in the future, it is inevitable that it has had and will have the effect of hastening the introduction of graded expense. In addition, the plan has demonstrated the value of combining third party lines of insurance for rating. From an assured's point of view the differentiation by line of business and the separate rating of each individual line is an unnecessary additional complication which further confuses him. The introduction of comprehensive insurance has gone far toward promoting the combination of liability lines, and the subsequent introduction of the comprehensive insurance rating plan is an additional step forward toward the development of a rounded rating program under which an assured pays a single premium for third party insurance, and so calculated as to reflect to the greatest degree possible the hazard of the individual risk. Admittedly, the plan as it now exists requires modification if it is to be applied to the business generally, but the principles underlying the plan are sound."

Miss Elsie Kardonsky, statistician New York Compensation Rating Board, reported on the status of the special funds under the New York Workmen's Compensation Law.

The informal discussion period was devoted to the comprehensive rating plan. This discussion was entirely off the record. H. J. Ginsburgh, assistant vice-president American Mutual Liability, was chairman.

Indiana Enters Field of Burglary, Liability

INDIANAPOLIS — Indiana Insurance Company now will write burglary lines except bank, and also the general public liability. These additional facilities are being offered to agents to help offset the predicted slump in automobile premiums. Parke A. Cooling, president, stated as yet the company has not noticed any decline in automobile business, "though we know what must come eventually providing the war is of long duration."

The company also is starting a combination policy under which burglary insurance can be written with fire insurance on household goods. While this is not as broad as the personal property floater it adds to the fire policy one of the principal hazards to which personal effects and household goods are exposed. The charter permits writing of these two coverages in one policy, Mr. Cooling explained. He expressed the wish that other companies make this same combination available so far as possible, as it would help the sale of such a policy to have it commonly known. "We realize that we can write only a limited amount of this business compared with what the field has to offer," he said.

Edward Donaldson, well known in casualty insurance circles in Indiana, is in charge of developing the new casualty department.

Eureka Casualty in Ind.

Eureka Casualty has been licensed in Indiana and has appointed R. F. Hauenstein of Elkhart as general agent.

Commercial Standard has been admitted to Ohio to write title insurance only.

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New Treasury List of Acceptable Surety Limits

The Treasury Department has now issued its semi-annual schedule of the acceptable limits for surety companies in connection with bonds running to the federal government. The amount shown is the net limit for which each company may be accepted on any one risk. That amount is 10 percent of a company's capital-surplus as at Dec. 31, 1941. Together with the latest list are shown the limits for each company in the April, 1941, and October, 1941, Treasury lists:

	Apr. 1941	Oct. 1941	Apr. 1942
*Accl. & Cas.	\$ 250,000	\$ 209,000	\$ 250,000
Aetna Cas.	2,351,000	2,413,000	2,513,000
Amer. Bond.	185,000	186,000	189,000
Amer. Cas.	139,000	138,000	152,000
Amer. Empl.	514,000	515,000	499,000
Amer. General.	151,000	153,000	168,000
Amer. G. & L.	271,000	271,000	266,000
Amer. Indem.	212,000	221,000	222,000
Amer. Motor.	200,000	200,000	200,000
Am. Mut. Liab.	831,000	844,000	905,000
Amer. Reins.	768,000	748,000	769,000
Amer. Surety.	1,434,000	1,519,000	1,528,000
Assoc. Ind.	242,000	249,000	242,000
*Car & Gen.	132,000	112,000	100,000
Cent. Surety.	338,000	349,000	347,000
Century Ind.	463,000	436,000	448,000
Columbia Cas.	392,000	399,000	399,000
Comm. Cas.	248,000	250,000	255,000
Comm. Stand.	83,000	71,000	80,000
Cont. Cas.	992,000	1,159,000	1,258,000
Eagle Ind.	363,000	338,000	346,000
Empl. Cas. Tex.	110,000	104,000	118,000
*Empl. Liab.	1,383,000	1,497,000	1,430,000
Empl. Reins.	652,000	678,000	691,000
Eureke Cas.	56,000	60,000	63,000
*Europ. Gen.	500,000	500,000	760,000
Excess.	167,000	171,000	177,000
Fid. & Cas.	1,753,000	1,737,000	1,809,000
Fid. & Dep.	1,322,000	1,384,000	1,434,000
Fireman's Fund	455,000	451,000	445,000
Gen. Cas. Wash.	196,000	198,000	214,000
Gen. Reins.	712,000	731,000	741,000
Globe Indem.	1,000,000	1,000,000	1,000,000
Gr. Amer.	675,000	671,000	703,000
*Guar. N. A.	160,000	156,000	159,000
Hartford Accl.	2,860,000	3,102,000	3,500,000
Home Indem.	334,000	346,000	328,000
Indem. N. A.	1,136,000	1,218,000	1,301,000
Inland Bond.	47,000	49,000	46,000
Internat. Fid.	176,000	179,000	179,000
Kan. Bk. Sur.	53,000	56,000	54,000
Liberty Mut.	1,716,000	1,714,000	1,770,000
*London Guar.	606,000	605,000	631,000
Lond. & Lanc.	197,000	191,000	210,000
Lumb. Mut. Cas.	600,000	600,000	600,000
Maine Bond.	42,000	43,000	61,000
Mifflin Cas.	418,000	415,000	421,000
Md. Cas.	766,000	684,000	749,000
Mass. Bond.	787,000	715,000	808,000
Merch. Indem.	236,000	240,000	259,000
Mellon Ind.	468,000	474,000	472,000
Metro. Cas.	248,000	236,000	229,000
Natl. Auto.	156,000	156,000	173,000
Natl. Cas.	175,000	175,000	200,000
Natl. Surety.	1,507,000	1,460,000	1,447,000
New Am. Cas.	887,000	931,000	969,000
New Eng. Cas.	146,000	141,000	135,000
N. Y. Cas.	237,000	246,000	254,000
N. A. C. & S. Re.	255,000	255,000	255,000
Northw. Cas.	79,000	81,000	82,000
*Ocean Accl.	567,000	601,000	576,000
Ocecl. Ind.	265,000	258,000	267,000
Ohio Cas.	252,000	252,000	366,000
Pac. Empl.	151,000	160,000	175,000
Pac. Ind.	535,000	547,000	546,000
Peerless.	122,000	124,000	123,000
Phoenix Ind.	373,000	388,000	398,000
Preferred Acc.	406,000	356,000	367,000
Royal Ind.	1,337,000	1,307,000	1,356,000
St. Paul Mer.	504,000	544,000	568,000
Seaboard Sur.	359,000	382,000	395,000
Stand. Acc.	893,000	890,000	941,000
Stand. Sur.	219,000	225,000	189,000
Sun Ind.	297,000	287,000	291,000
Texas Ind.	35,000	43,000	46,000
Travelers Ind.	1,671,000	1,671,000	1,500,000
Trinity Uni.	243,000	197,000	238,000
United Pac.	100,000	100,000	173,000
U. S. Cas.	364,000	396,000	385,000
U. S. Guar.	996,000	1,016,000	1,053,000
U. S. F. & G.	1,729,000	1,668,000	2,058,000
Va. Sur.	40,000	37,000	37,000
West. Cas. & S.	124,000	127,000	136,000
Western Sur.	77,000	84,000	79,000
Yorkshire.	189,000	192,000	191,000

*Foreign companies authorized to do reinsurance business only.

Forker Addresses Adjusters

LOS ANGELES—Floyd W. Forker, manager of sales promotion of Pacific Mutual Life, spoke on "Civilian Adjustment to War Time Economy" before the Casualty Insurance Adjusters Association of Southern California.

Hungerford With Preferred

NEW YORK—Clark H. Hungerford, until recently supervising underwriter at the New York City branch of Lumbermen's Mutual Casualty, has joined the home office of Preferred Accident as

Postpone Benefits If U. S. Disability Scheme Is Set Up

NEW YORK—"If federally administered temporary disability becomes established, it is still probable that we will arrange for a postponement of benefit payments to a date somewhat in the future," W. R. Williamson, actuarial consultant of the Social Security Board, declared in a paper before the annual meeting here of the Actuarial Society of America.

By doing so, he said, advantage would be taken of the "lessons taught us by privately administered disability insurance."

Mr. Williamson examined the experience of life insurance companies in disability insurance and pointed to the "tendency of claim rates to advance when favorable selection is thoroughly exercised. During the first two or three years following the issuance of a policy, extremely low claim rates developed. During the early years many an executive liberalized the claim treatment under the contracts. Moreover, legal decisions were made by state courts further liberalizing the treatment."

"The history of the disability coverage is, to a considerable extent, the story of the effect of thorough initial selection, of inability to extrapolate from the early experience to the experience which is in store."

Cites Unemployment Compensation

"In unemployment compensation we have an equally delicate situation. In the laws established in state after state, it was decided that for two calendar years there should be no benefits paid. It seemed essential to build up a sufficient fund from which to pay grants to insured lives. Somewhat after the depth of the depression the unemployment compensation program was established and provided that a specified amount of taxable employment was a necessary precedent to the availability of benefits."

"So for two years there were no claims. Then there were successive periods: (1) An increasing activity for labor (2) the drastic recession of 1938, and (3) the gradual growth of labor opportunities thereafter. There has been the striking combination of circumstances such that the claims outgo is so small as to make the current tax rates seem tremendously redundant. Therefore, there is a steady demand on the one hand for a marked advance in benefit payment and on the other for a drastic reduction in tax rate."

Mr. Williamson said the federal coverage for old age and survivors insurance has experienced selection to a marked degree resulting from the elimination in the early years of classes on which the claims rates will be high. As these and other restrictions lose effect he foresees an increase in claims such as takes place in ordinary insurance at the lower ages and in permanent total disability insurance during the early years of exposure.

"The factors affecting costs in old age and survivors insurance are more diverse, more difficult to judge than the factors we have listed in relation to life insurance in relation to sickness and in relation to employment," he said.

supervising underwriter of its liability and compensation departments. A graduate of the Wharton School in 1931 he received his initial underwriting experience with the National Bureau of Casualty & Surety Underwriters, resigning in 1933 to join Fidelity & Casualty in Hartford. His connection with Lumbermen's began in 1938.

Hold N. J. Sales Congress

The Newark branch office of Travelers sponsored a sales congress at Montclair, N. J. W. B. Clarkson, Newark casualty manager, presided. There were a number of speakers from the home office.

Leslie Starts Seventh Term as Bureau Head

NEW YORK—William Leslie has started his seventh term as general manager of the National Bureau of Casualty & Surety Underwriters, having been reelected at the annual meeting.

At the same time E. E. Robinson was reelected secretary, an office he has continuously held since 1932, prior to which for the preceding 11 years he was in turn assistant manager and manager of the automobile department.

The executive committee chosen for the new year consists of Aetna Casualty, American Surety, Fidelity & Casualty, Fireman's Fund Indemnity, Ocean Accident, Royal Indemnity, Sun Indemnity, Travelers, U. S. Fidelity & Guaranty and Zurich.

By action of the executive committee the following were all reappointed to their respective posts: C. J. Haugh, actuary; E. W. Sawyer, attorney; E. E. Robinson, comptroller; A. E. Spottke, manager automobile division; Milton Acker, manager compensation and liability division; L. A. Sawyer, manager burglary and glass divisions; C. G. van der Feen, statistician; E. A. Bantel, office manager.

Holds State Farm Wis. Issue Is State Court Matter

SUPERIOR, WIS.—After hearing arguments of counsel in the case of the State Farm Mutual Automobile of Bloomington, Ill., against Commissioner Duel of Wisconsin, Federal Judge Stone ruled here that issues in the action should be heard by a state court. The company had appealed to the federal court for a mandamus to compel the commissioner to grant it a 1942 license. Judge Stone said that the federal court would retain jurisdiction of the case and that a temporary injunction permitting it to operate would remain in force until the matter is settled in the state court.

Controversy between State Farm Mutual and the Wisconsin department has been raging for years in the state legislature and state courts. The company was granted a Wisconsin license after many years of effort during the last days former Commissioner Mortensen was in office. Mutual and stock automobile underwriters immediately took the matter into courts at Madison, and in the following session of the legislature a determined but unsuccessful fight was made to change the Wisconsin statutes to permit the company to collect a membership fee without setting up a reserve as has been demanded by the department. Duel revoked the license in 1940 and refused to grant a license in 1941, but the company obtained a federal injunction temporarily to continue operating in the state. Last year the Wisconsin supreme court upheld Duel's contention that the membership fee plan was in violation of the law, and since that time State Farm has changed this plan to overcome the objection. However, the department maintains that the company can not have one plan for Wisconsin and another for the other states in which it operates and where fees are collected but no reserve is set up.

The State Farm companies held a state convention in Birmingham, Ala., with more than 60 agents on hand for the meeting. President R. P. Mecherle was in attendance.

Casualty Quiz Given at N. Y. Agents Parley

At the annual meeting of the New York State Association of Local Agents Roy A. Duffus of Rochester, chairman educational committee, conducted a lively quiz session. Some of his questions and answers are:

Automobile medical payments coverage may be added to unexpired liability policies on private automobiles on the pro rata basis. True.

Auto liability policies on private cars used to transport the insured and fellow-employees to work, and driven at such time by several of them, should be endorsed to indicate as named insured all of such employees who drive, in order to protect such drivers in the event of claim because of injury to the owner. True.

Where the owner of a private car adds the name of his employer as an additional named insured under the auto liability policy warranties should indicate ownership; and also that limited drive other cars coverage is granted to the owner and wife. True.

Auto liability policy claim expense and first aid payments will constitute a loss under the New York state preferred risk rating plan. False.

When auto collision insurance is afforded under the liability policy, there is no war exclusion. True.

When auto liability insurance on a private passenger car is suspended, the limited form drive other cars coverage is also suspended. True.

O. L. & T. property damage liability insurance covers legal liability for damage to property of others caused by any explosion on the insured premises except steam boiler. False.

Comprehensive general liability insurance policies which include product liability insurance will automatically provide vendors' liability protection on policies written for manufacturers or distributors. False.

To the minimum premium charge of \$100 for a comprehensive general liability insurance policy the supplementary charge of \$10 minimum for bodily injury must be added, and may not be considered as a part of the \$100. False.

An inactive co-partner's payroll must be included at a fixed amount of \$2,000 on a manufacturers or contractors liability policy. False.

The charge for medical aid payments to employees and others, under a residence liability policy, is subject to the usual percentage of increase where the policy liability limits are increased to \$10,000/20,000, \$25,000/50,000, etc. True, according to manual but bureau has allowed exceptions.

The private residence liability policy and the personal liability policy both extend protection to the insured and spouse in connection with the operation of bicycles away from the home. True.

An outside robbery policy covering a mercantile concern in the amount of \$10,000 with one guard warranted may be endorsed for proper premium charge to indicate coverage up to 80 percent or \$8,000 where there is no guard at the time of loss. True.

A residence liability or burglary policy may be endorsed at a rate of \$2 per year or \$5 for three years, to cover breakage of fixed glass even though caused by bombardment or other act of war. True.

Safety Conference in Richmond

RICHMOND—Bolling H. Handy, president of Mutual of Richmond, was general chairman of the Virginia State-wide Safety Conference in Richmond. On the program the first day was Julien H. Harvey, managing director of the National Conservation Bureau, Association of Casualty & Surety Executives, on "The Essential Part Safety Plays in National Defense." Panel members at a question and discussion session were: J. F. Owens, safety engineer Royal Indemnity; J. T. Wadkins, safety engineer Virginia Auto Mutual; W. G. Miller, safety engineer, Richmond Safety Council. The value of first aid training in accident prevention was stressed by E. C. Bookman, safety engineer Virginia Electric & Power Company.

ACCIDENT AND HEALTH

W. W. Pierce New President of Chicago Association Federal Menace Reviewed at Pittsburgh Meeting

W. Welsh Pierce, general agent of Massachusetts Indemnity and United States Life, was elected president of the Chicago Accident & Health Association at the dinner following its annual outing at the Crystal Lake Country Club, Wednesday. Mr. Pierce was first vice-president the past year.

C. S. Revenaugh, Engelhard & Co., was named as first vice-president; Reed Whitney, Continental Casualty, second vice-president; Roy Jackson, W. A. Alexander & Co., secretary, and A. J. Kirchberg, Connecticut General Life, treasurer. The new directors are C. F. Lundquist, Fred S. James & Co., retiring president; Carl E. Silldorf, New Amsterdam Casualty, and Fred Corby, Conkling, Price & Webb.

The outing was very well attended and some interesting entertainment features were presented at the dinner, at which the golf prizes were awarded.

Sims Demands Standard Weekly Premium Form

Commissioner Sims of West Virginia announces that he will prescribe a standard form of weekly premium health and accident policy for use in the state. He asks the companies to select a committee to cooperate in preparing such a form and he has designated J. W. Scherr, president of Inter-Ocean Casualty, as chairman. Mr. Sims requests that the committee begin its work at once with the idea of submitting a proposed form within 60 days. Unless the companies cooperate in the project, Mr. Sims states that he will devise a standard form of his own.

Successful Accident-Health Sales Congress in Seattle

SEATTLE—The most successful accident and health sales congress ever staged by the Seattle Accident & Health Managers' Club drew a record crowd. R. A. Brown of Los Angeles, Pacific Mutual producer of national fame, inspired his listeners with "Practical Sales Suggestions," climaxing the noon and afternoon session.

Fred C. Becker, Great-West Life, who officiated as general chairman, opened the congress following a luncheon. Following introduction of guests representing various insurance organizations and home companies, he presented Hugh S. Bell, general agent of Equitable Life of Iowa, who gave the principal luncheon address on "Colors of the Spectrum." He drew an analogy between colors of the spectrum and manifold qualities of a successful salesman.

At the afternoon session W. N. Boyd, Aetna Life, spoke on "Time Rationing in '42." Linus Pearson, Northern Life producer, talked on "Selling Accident & Health the Easy Way." D. K. McDonald, president of the Seattle chamber of commerce, gave his impressions of war activity in the nation's capital following a recent visit. His talk was entitled "News From the Front." Mr. Brown topped off the program with his inspiring message.

Griffin Named Treasurer

Thomas J. Griffin, formerly assistant treasurer of Washington National in charge of mortgage loans, has been elected treasurer to succeed the late Claude P. Kendall.

Mr. Griffin went with Washington National at the time of the reinsurance of Hercules Life and the acquiring of the National Life fund, having served as manager of mortgage investments for Hercules and the Allstate companies. Prior to that he had been treasurer of the old Michigan Mutual of Detroit.

PITTSBURGH—The trend is toward government absorption of the functions of health and accident insurance, Thomas Hopkins of the Hopkins Agency of Provident Life & Accident said at the meeting of the Pittsburgh Association of Accident & Health Underwriters.

One reason he gave for this trend is that the public is ready for it. "In our federal program of social security the government has provided for the care of three of the five hazards that affect the ordinary man—death, retirement and unemployment."

He asserted that the government is coming more and more under the control of labor, indirect if not direct. Politicians, he said, favor more social security because it means more jobs and a new source of taxes, which are badly needed at the present time. He predicted that unless accident and health men make a study and lay plans to meet the growing trend, the government will perform the functions of accident and health insurance.

J. W. Scherr, president of Inter-Ocean Casualty, who was a visitor, pointed out that the threat can be met best by education of the public, since the congressmen are sensitive to the demands of their constituents.

Lon C. Jeffrey suggested that the accident and health business explore the possibilities of mass production, make the policy broader and establish the premium structure accordingly.

Allstate Brings Out \$10 Auto Accident Policy

Allstate of Chicago, which heretofore has been exclusively an automobile insurer, has now entered the personal accident field to the extent of offering a \$10 automobile accident policy. The contract provides \$2,500 principal sum, weekly indemnity of \$25 and blanket hospital expenses up to \$350. Indemnity is provided for injuries and death while riding in or being struck by an automobile. Because weekly indemnity is provided, the contract is not sold to housewives, retired persons, students or those who do not have a regular weekly wage.

It may be that later a policy will be brought out that does not contain the weekly indemnity and which can be sold to housewives, etc., but Allstate desired at the beginning to simplify its effort by having just the one policy.

Although it is expected that most of the accident policies will be sold to those that carry automobile insurance with Allstate, there may be a considerable sale to defense workers who ride to work with friends.

Allstate is giving consideration to the idea of selling a residence burglary contract.

Increase Hospital Benefits

NEW YORK—In view of the rising cost of hospital service, the Three-Cents-a-Day-Plan effective July 1 will increase its benefits to \$7 per day of hospital care. The benefit has been \$6.75 since last October. Prior to that it was \$6.50.

Dr. S. S. Goldwater, president of Associated Hospital Service, estimates that this will result in an additional \$1,000,000 in payments to hospitals in behalf of subscribers this year.

Can Overcome Summer Slump

CINCINNATI—Summer slumps can be overcome by setting seasonal quotas, Jack Gaul, Earls-Blain agency, declared before the Cincinnati Accident & Health Underwriters Association. He explained how he followed this plan successfully in keeping his production up to normal during the warm weather last year.

Men don't act by reason, reason

means to weigh and consider, Ben Stoner, Connecticut General manager, said in pointing out the need for motivation. Men act by emotion after they stop reasoning. That is why human interest appeals are effective.

It isn't necessary for agents to tell prospects they have something new and different to sell disability protection, William Case, Inter-Ocean Casualty manager, pointed out. Agents can get away from talking "specials" by sitting down with a prospect and discussing the latter's problems in case he is disabled. The best thing an agent can do for a family is to sell the wage-earner protection that provides income when disability stops the money coming in.

The Cincinnati association plans to hold its annual picnic and banquet the last week in June.

Cooperative Action Favored

HOUSTON, TEX.—Accident and health managers here met to discuss proposed national legislation which would set up national health insurance under the social security system.

It was resolved that such an act would be injurious to the health and accident business, and R. K. Pelton, south Texas manager of Inter-Ocean Casualty, recommended that a plan of cooperative action by the business as a whole under which both employers and employees be acquainted with all the facts pertaining to the measure be approved.

J. C. Buckingham, Houston manager of North American Accident, and Mr. Pelton were selected to carry out the recommendation.

Group Plan for Unions

Hoosier Casualty is offering a group accident and health plan for labor unions where a local union with 50 or more members is willing to vote the necessary increase in dues to cover the premium so that 100 percent of the membership will be protected and will pay the premium monthly for the entire membership in one sum.

It eliminates the first week of illness and injuries that are covered by workmen's compensation. For \$15 per week up to 13 weeks, the monthly premium is 90 cents; \$500 principal sum and proportionate dismemberment benefits, 10 cents; \$3 per day additional for hospital for 70 days, 40 cents; \$5 to \$100 for surgical benefits, as per schedule, 50 cents. The contract may embrace all or any of these coverages but must be uniform for all members.

The rates quoted are for unions whose membership is made up entirely or almost entirely of men. If more than 10 percent of the membership is women, the rates will be slightly higher.

Mulligan, Harter in Baltimore

Speakers at the monthly dinner meeting of the Baltimore Association of Accident & Health Underwriters were W. J. Mulligan, Jr., special agent of Fidelity & Casualty, and Douglas J. Harter, production manager of the Harrisburg, Pa., branch of U. S. F. & G.

Mr. Harter described the notable success of the Harrisburg agency in the two Hoodoo Days held this year. In those two days more than \$3,000 in accident and health premiums were submitted, in line with a successful record of accomplishment which has doubled

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the business of the agency in the past three years. He emphasized the value of limited coverage contracts as an entering wedge and in awakening realization of the need of comprehensive accident and health protection.

Mr. Mulligan summarized his experience in the training and supervision of men. He said that above all "planned prospecting" is an essential of success—combined with concentration of efforts on key men in selected groups. He emphasized the importance of disability coverage, not only in taking care of extra bills but in providing the additional care and attention that is so essential in eliminating a possible recurrence of disability and its speeding up recovery. This often is affected adversely by financial handicaps.

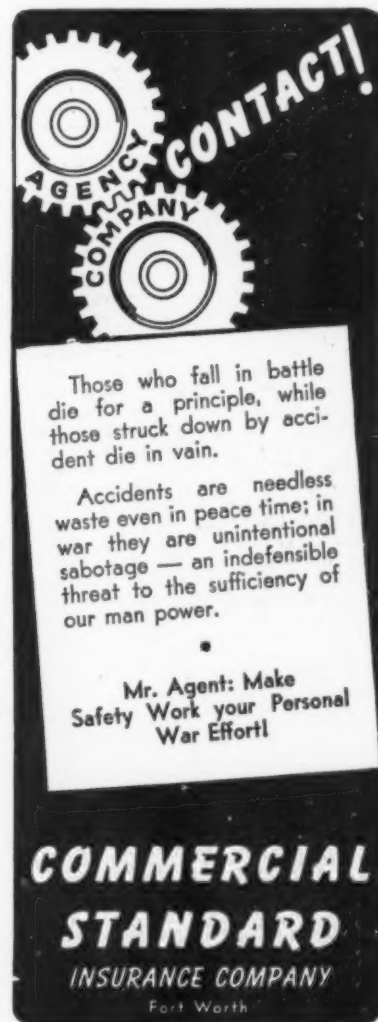
At the next meeting June 9, Frank S. Vanderbrouk, executive vice-president of Monarch Life, will speak on "Some Current Problems in the Accident and Health Field."

Boston Association Slate

BOSTON—The Boston Accident & Health Association has nominated the following officers to be voted upon at the annual meeting May 21: President, Byron P. Graff, Aetna Casualty; vice-presidents, Walter A. Barr, Massachusetts Bonding, and Albert F. Moore, Massachusetts Indemnity; treasurer, Henry V. Madden, Boston Casualty; secretary, W. Elliott Hanna.

Farewell for Alldredge

LOS ANGELES—The Accident & Health Managers Club of Los Angeles tendered a farewell luncheon to F. B. Alldredge, past president of the club, who has resigned as superintendent of the accident and health department of Occidental Life to become general agent of the company at Stockton, Cal. He took up his new duties there May 18. However, he will not move his family until June.



AGENCY CONTACT!

Those who fall in battle die for a principle, while those struck down by accident die in vain.

Accidents are needless waste even in peace time; in war they are unintentional sabotage — an indefensible threat to the sufficiency of our man power.

Mr. Agent: Make Safety Work your Personal War Effort!

COMMERCIAL STANDARD INSURANCE COMPANY
Fort Worth

FIDELITY AND SURETY

Surety Claim Forum Ends Year

NEW YORK—More than 500 years of experience in claim work are represented in the membership of Surety Company Claim Men's Forum, W. J. Flynn, metropolitan office National Surety, president, stated at the 15th and final meeting of the organization for the year. Organized about a year ago, the forum now has 40 members who represent 23 different companies. It has enjoyed a most successful year and some outstanding speakers were presented.

Superintendent Pink of New York, who was a guest, paid tribute to the work of claim men, pointing out that the services of a competent claim man could not be minimized. Special guests included W. E. Schenck, vice-president U. S. Guarantee, and N. E. Wheeler, manager bonding claims department Royal, Globe, and Eagle Indemnity companies. A. C. Goerlich, educational director Insurance Society of New York, sponsor of the forum, expressed his felicitations and described some activities of the society. Peter Drake, insurance buyer Sperry Gyroscope Company, stressed the importance of claims in building good will.

In recognition of the work of Mr. Flynn in guiding the forum successfully through its first year, he was given an electric desk clock, the presentation being made by Henry Nichols, vice-president and general counsel National Surety.

Work Out Standard Bond Forms for R. I.

NEW YORK—Surety underwriters in cooperation with Rhode Island state officials have prepared three types of bonds—one covering officers having definite terms of service, another for officials and employees with indefinite terms, and a third scheduling all employees in any one department. The preparation of forms for sheriffs and court clerks is in progress. Use of the new forms will be mandatory in the state.

The reformation in forms is primarily the outgrowth of disclosed shortages in the accounts of municipal officials in Foster and Cumberland, and the alleged refusal of the bonding companies to assume the liability.

Defining the attitude of the surety offices, however, their representative stated in part: "A substantial portion of the claim on which the town solicitor insisted involves an alleged liability which expired over five years before any claim was made. The companies have made every attempt to cooperate in working out the town's difficulties but have not as yet been able to get so much as a valid proof of loss, whether such bonds were given by public officials or private parties."

At the latest session of the Rhode Island legislature Senator Chaffe, counsel of the town of Foster, secured enactment of a bill which would have compelled adoption by all surety companies of a form of bond that would have forced the recasting of all of their outstanding coverages. Governor McGrath vetoed the measure, and instead sanctioned the cooperative bond forms drafted by the several state officials in cooperation with surety underwriters.

Still Get Depository Salvage

NEW YORK—Surety companies that wrote depository bonds prior to the financial crash of 1929 continue to get dividends in liquidation proceedings. School bonds, notably, it is reported, found a ready market, and it is from these in good part that dividends to creditors were made possible by receivers.

Although the writing of depository

bonds by surety companies is now all but a memory, occasional calls for such coverage are made by banks holding large public funds and required by law to insure their safety.

Big Construction Bonds on Coast

LOS ANGELES—Utah Construction Co. of Salt Lake City, was the low bidder when the bids were opened for the construction of the Davis dam on the Colorado river. The price was \$18,960,000. The Griffith Co. of Los Angeles, and another firm joined with the Utah firm in the bidding. The bid bond was originated in the San Francisco office of Aetna Casualty. It is understood 12 other surety companies will participate.

The Los Angeles office of U. S. F. & G. executed the payment and performance bond for the M. M. Sundunt Construction Co., for a \$1,000,000 project in Arizona awarded it by the War Department, and similar bonds for two other War Department projects in Arizona awarded to the Sundunt Co. and the L. M. White Contracting Co., bidding jointly. Each of these latter contracts is for more than \$1,000,000 each. Six other surety companies are participating in the business.

Surety Talks in Los Angeles

L. P. Schwobeda, Fireman's Fund Indemnity, spoke before the classes held by the Insurance Exchange of Los Angeles on "Fidelity and Blanket Bonds" and also gave a short history of the surety business. John Gurash, American Surety, spoke on the same subject this week.

Can't Buy Bond from Reciprocal

ST. PAUL—A Minnesota county is without authority to purchase and pay for a public official fidelity bond issued by a reciprocal, E. J. Devitt, assistant attorney general, advised the county attorney at Rochester, Minn.

"A reciprocal or inter-insurance exchange is not a mutual insurance company and, hence, the answer to your question is not governed by the opinion of this office of Jan. 1, 1940, that our state department of administration could purchase a non-assessable fidelity bond from a mutual company," Mr. Devitt said.

Mr. Devitt says the Minnesota law governing reciprocals "authorizes only individuals, partnerships and corporations" to exchange reciprocal contracts. It does not authorize a municipal corporation, such as a county, to become a member of a reciprocal exchange, since a county is not a "corporation" within the meaning of the reciprocal law."

Williams St. Louis Speaker

J. D. Williams, vice-president in charge of the fidelity, public official and judicial departments of United States Fidelity & Guaranty, was guest of honor at the monthly meeting of the Surety Underwriters Association of St. Louis, and spoke on some phases of the fidelity and surety business of current interest.

The Surety Underwriters Association of New Jersey will hold an outing at the Essex Fells Country Club, Essex Fells, N. J., June 3.

PERSONALS

E. Walter Helm, Jr., resident vice-president of New Amsterdam Casualty in Philadelphia, was given a dinner in honor of his 10th anniversary with the company. A. P. Connor, Philadelphia broker, was toastmaster. The speakers included John A. Diemand, president of the North America, and F. H. Strickland, vice-president of New Amsterdam Casualty. Mr. Helm was presented with

a silver platter. He is vice-president of the Casualty Association of Philadelphia.

H. W. Jamison, mid-eastern department manager of Preferred Accident, Pittsburgh, is the father of a second daughter, Katherine Grier.

George W. Kemper, manager of the accident and health department of Fireman's Fund and Occidental Indemnity, has been elected a director of the Golden Gate Bridge District—governing body in charge of management of gigantic Golden Gate bridge. Mr. Kemper is also a trustee of the San Francisco public library.

Walter C. Godwin, Jr., formerly with an Atlanta agency now in the army air corps, was married to Miss Anne Parker Bridges of Chattanooga.

DEATHS

H. R. Throckmorton, casualty department manager of the Indianapolis office of Standard Accident, died. He started with the company in 1933 and was named casualty manager at Indianapolis in 1940. Previously he was supervising special agent at Indianapolis. He was a graduate of Purdue University.

Sidney H. Palmer, 57, former United States manager of the Employers' Liability, died in Boston after a short illness. Born in London, July 19, 1884, he entered the insurance business shortly after he was graduated from school. He went to Boston from London in 1935 as United States manager of Employers' Liability. He retired from that position last March.

Edgar G. Lynch, 47, a field supervisor at the head office of Maryland Casualty for the last five years, died in a Baltimore hospital following a sudden stroke at his home. Mr. Lynch entered the insurance business after the last war, in which he served as a lieutenant in a machine gun unit of the First Division. Before joining Maryland, Mr. Lynch had been connected with other companies, including United States Fidelity & Guaranty Company.

COMPENSATION

Costly to Comply with Government Requirements

Companies writing compensation business in connection with cantonments and other government projects find that they are being required to go to much expense in order to comply with many of the requirements and where the business is written on a cost plus basis, as most of it is, these expenditures eat into the expense element very fast. The government issues a great many specific instructions and many of the local officers feel obliged to have these requirements carried out to the letter even though they seem manifestly unnecessary. For instance, there is a requirement that each contractor on a job must establish a fully equipped first aid station. On one project there was a principal contractor and a number of subcontractors. One of the subcontractors had only about 25 men working but nevertheless the local officer insisted that he set up a first aid station. In another place was the requirement that an ambulance be at hand at all times. The insurance company started to comply with this requirement by converting a station wagon to the purpose, but the local officer insisted that a regulation ambulance be provided and this cost about \$40 a day.

N. J. Bureau in Annual Meeting

NEWARK—At the annual meeting of the Compensation Rating & Inspection Bureau of New Jersey, Lumbermen's Mutual Casualty of Chicago, Fidelity & Casualty, New Jersey Manufacturers Casualty and General Acci-

dent were elected on the governing committee.

In his annual report Chairman A. R. Lawrence said insurance against claims arising from occupational disease other than those compensable by law has now developed considerable exposure, both locally and nationally, and has recently had rather active consideration.

As a result of a recent general rate revision, the net cost will be materially decreased.

ASSOCIATIONS

Discuss California Agreement

LOS ANGELES—The Casualty & Surety Field Men's Association of the Pacific Southwest held its final meeting of the year here, with an address on the motor vehicle insurance agreement by H. G. Paxton, Hartford Accident. President J. R. Sherman presided. Mr. Paxton cited department rulings intimating that Commissioner Caminetti might be expected to exercise his authority to enforce the agreement if necessity arose. The department has indicated that any producer who does not comply with the agreement and fails to furnish complete and correct information to his company is not worthy of trust and may be disciplined by the department. Mr. Paxton said the agreement is perhaps the best defense the companies have against a state rating measure.

Des Moines Club Ends Season

DES MOINES—The Des Moines Casualty & Surety Club will hold its final meeting of the season May 25. Speakers will be C. C. Winship of the Skelgas Company on "Butan" and Harry Wheaton, regional director of the Red Cross.

Casualty Underwriters' Party

In spite of bad weather a good crowd turned out for the annual party of the Casualty Underwriters Association of Chicago last week. The affair, under President Donald K. Weiser of Aetna Casualty, was informal.

Atlanta Claim Men Hear Greene

Harry L. Greene, Atlanta attorney, will discuss handling of claims under the Georgia workmen's compensation law at the luncheon meeting of the Atlanta Association of Claim Men May 21.

The Casualty Underwriters Association of New Jersey will hold its annual outing at the Crestmont Country Club, West Orange, June 11.

The Columbus Claims Club will hold its spring party June 12 at the Wyandot Country Club.

B. M. A. Gets American Savings A. & H. Business

A special commission composed of the Missouri, Kansas and Arkansas commissioners has approved an agreement under which Business Men's Assurance will reinsure all individual and group accident and health business of American Savings Life of Kansas City.

As a result of this agreement B. M. A.'s premium income will be increased about \$125,000 or \$130,000 a year. Accident and health representatives of American Savings will be given the opportunity of becoming associated with B. M. A. Policyowners of the reinsured company will receive immediately assumption certificates from B. M. A.

The arrangement had been approved by the directors and stockholders of American Savings.

Have you seen the **Insurance Buyers' Digest**? Leading agents are mailing it out every month to stimulate business. Write The National Underwriter for sample.

General Accident Has Combined Its Production Work

John H. Grady, U. S. manager and attorney of General Accident and president of Potomac announces that the production and agency activities of the two companies have been combined under the supervision of A. W. Wilsterman.



A. W. WILSTERMAN

man, assistant United States manager.

Thomas McNamee, who in the past has been associated solely with Potomac, has been appointed assistant agency superintendent of both companies. During the absence of John S. Kaufman, agency superintendent, who was recently commissioned a lieutenant in the army, Mr. McNamee will look after the affairs of the joint agency department.

The decision to merge the agency activities is in line with the present-day necessity of streamlining all operations for maximum efficiency.

Mr. Wilsterman's Career

Mr. Wilsterman has had a productive career in agency development work. He joined General Accident in 1919 and served in the accident and health department until 1925 when he was made agency superintendent. In that capacity he contributed very largely to the creation of the present strong agency and service office organization. In 1938 he was appointed executive assistant with responsibility over field operations and personnel matters. He was appointed assistant United States manager in April 1941, continuing in charge of these phases of the company's operations.

Mr. McNamee for nine years, beginning in 1924, was associated with Girard Fire & Marine in Philadelphia. He took up field work in 1933, traveling northern and southern New Jersey for the Firemen's of Newark and the Girard.

In April, 1936, he joined Potomac. For four years he covered the New Jersey territory. Later he was appointed an executive special agent and given special assignments in New York, Ohio, New England and more recently in Indiana.

Speech Expert in Salt Lake City

At the May meeting of the Salt Lake City Accident & Health Club, Dr. R. L. Garff, head of the speech department, University of Utah, spoke on "Self-Expression in Selling One's Self."

President W. M. Jones, Business Men's Assurance, named a nominating committee to report a slate of officers at the annual meeting next month.

Gift, Dinner and Premium Drive for Hodson Sendoff

About 85 agents, brokers and employees of Aetna Casualty and other companies of the group turned out to honor R. D. Hodson, former agency supervisor at the Chicago branch. At a dinner last week before he left for Detroit as superintendent of agents, Edward Boersma, Chicago office agent and president of the Aetna Casualty Club, presented Mr. Hodson with an engraved wrist watch from his associates. D. K. Weiser, who formerly divided supervision with Mr. Hodson and now becomes superintendent of agents for the entire Chicago branch territory, conducted a surprise drive for business in Mr. Hodson's honor and presented a souvenir portfolio, containing copies of 189 applications for new business in Aetna Casualty's "big six" lines—burglary, general liability, plate glass, water damage and combination residence. The applications were secured in 10 days and the premiums totaled \$10,176.

Manager George Tramel pointed out that the Chicago branch has produced four branch managers, three home office executives and a number of other men in important positions in other branches. Henry Van Gils, marine manager at the home office of Automobile of Hartford, who was formerly in Chicago, was present, and there was a telegram from President M. B. Brainard and letters from other home office officials. There were no formal speeches, but representatives of various groups paid tribute to Mr. Hodson, including E. O. Wagoner, who retired as superintendent of agents about five years ago, W. F. Hochfeldt, M. J. Cunningham and Forsyth Tramel, office brokers, F. H. Hawk, Peoria, and George Schorie, Joliet, agents, E. L. Kearney, chief adjuster, A. J. Higgins, new agency supervisor, Edward Lidgen, underwriter, P. E. Chunn, special agent, P. M. Williams, assistant general agent Aetna Life, G. J. Olson, brokerage and service manager and M. V. Campbell, marine manager Automobile, and J. C. O'Connor, editor "Fire, Casualty and Surety Bulletins" of THE NATIONAL UNDERWRITER.

Casualty Executives Are Doing Valuable War Work

Jesse W. Randall, vice-president of Travelers, reviewed briefly the developments of the last 12 months for the Association of Casualty & Surety Executives as its retiring president at the annual meeting.

Federal taxation, he said, may shortly be more nearly equalized between capital stock companies and larger commercial mutual companies, he said. The treasury department in Washington has recommended that federal taxes for the commercial mutuals be brought more into line with those that are paid by the stock companies.

Mr. Randall pointed out that "we have asked only that there be fair play as between companies which are on an equal competitive basis. We have not sought to add to the taxes of the small, purely local, mutual companies. Therefore, because we have stood on a firm ground of equality and presented our case fairly and honestly, the issue is now before Congress with the prospect that it will be considered in the near future."

National Conservation Bureau

Because of the government's recognition of the National Conservation Bureau, the accident prevention department of the association, its staff is rapidly becoming a war production department. It supervises the casualty and surety companies' part in work of the National Bureau for Industrial Protection, it is assisting the quartermasters corps of the army in developing a 240-hour training course for all drivers of army motor transports. It is helping in the program for conservation of men and materials as a war necessity. It has prepared a comprehensive war traffic conservation plan for the New York state traffic

POINTERS FOR LOCAL AGENTS

How to Operate an Agency Profitably in War Time

Planning for profit in an insurance agency was discussed by Oscar Beling, superintendent of the agency systems department of the Royal-Liverpool groups, at the convention of the Kentucky Association of Insurance Agents this week. The agent must minimize as much as possible unnecessary duplication of mechanical effort and utilize time thus saved to develop and maintain a definite sales program within the office, he said.

In war time it is difficult to keep agency personnel, and the agent must devote more time to various types of war work. Consequently time and effort must be conserved.

Mr. Beling presented some ideas recently gathered from agents who recognize the urgency of the situation.

A constructive and well organized plan for day-by-day selling activities should be formulated and maintained. Agents who stop selling customers during the war will be forgotten, he said. The selling program should be reviewed periodically, through sales meetings in the larger offices, for example, and there is more need than ever for developing sales consciousness among members of the agency staff who work inside. Many of the telephone and other contacts now devolve on office personnel, and a production minded staff can go far in helping to hold an organization together.

Training New Clerks Quickly

Training of new clerks can be expedited if office procedure is trimmed down to essential routine. No standardized system will meet the requirements of every agency, but the principle of manifolding can be effectively applied in most instances. Since an invoice is usually prepared for each policy, carbon copies of the invoice can be utilized to incorporate in the same operation an expiration record, a posting medium to the customers' ledger, a posting medium to the company monthly account which would release daily reports for prompt filing, a location index, a producers' record and any other record required by the agencies.

In placing an agency on a war footing, Mr. Beling said, the agent must not overlook requisite production tools. Perhaps the most important of these are the line records which tell what kinds of business have been written for each customer and therefore reveal the lines which can be written. In some instances the entries in the customer's ledgers are expanded to serve this purpose. Carbon copies of invoices filed alphabetically also are used as line records. Various forms of index cards can be utilized. An effective method is the line folder plan. Agents sell people, not things.

Since an agent's contacts are based on the names of his clients, it is logical to

commission and the state war council. At the same time it is carrying on its normal work.

The center for safety education has proved itself a very fine enterprise. It too is making a major contribution to the war effort. At the request of the Office of Civilian Defense it has completed courses for instructors of the civilian defense drivers' corps and has developed a 150-page manual for emergency drivers which probably will become standard for the entire United States.

Mr. Randall commented also on the increasing trend toward extension of state monopolistic funds for workmen's compensation insurance, the increasing problem of municipal taxation of insurance, and the many effects on the business of the war emergency.

file everything in relation to those clients by their names. The line folder plan contemplates a folder for each insured in which are placed all daily reports for that insured regardless of the class of business. Pertinent correspondence is also filed in the respective folders. A simple and continuous line record is provided on the filing face of the folder. The folders are all maintained in alphabetical sequence, thereby providing a filing key which is always known and quickly available. In this way the agent has a case history for every customer which expedites production and servicing activities. Since it combines several files in one it has the added merit of materially reducing the number of handling operations.

By consolidating files and eliminating "deadwood," it is possible to postpone the need for costly additional equipment which is becoming more and more difficult to obtain.

Exceptional care must be taken to avoid waste of time, words and paper in stenographic and policy writing activities. The number of forms can be held to a minimum, and many offices are using both sides of the paper where long letters are necessary.

Equipment generally is going to be increasingly hard to get, so that the agency should occasionally clean and refinish furniture to prolong its usefulness and improve the appearance of the office.

Accounting and statistical records should be limited to information essential to the business. The financial structure merits careful analysis at regular intervals and precautionary reserves should be established to guard against unusual fluctuations in earnings.

Because war time business conditions and increasing taxes place unusual burdens on every individual, it is especially desirable to watch collections very closely and to keep "special arrangements" at a minimum, Mr. Beling said. Most representative agencies, he has found, have a definite collection system with teeth in it.

Opportunity to Sell Rent Insurance to Many

The disastrous fire at Kewanee, Ill., which burned two downtown blocks brought out the fact that there was considerable rent insurance carried. The four main agencies had their offices in the burned area and evidently did a very good piece of business in selling rent insurance. In these days when it will be very difficult to rebuild or repair buildings of any kind rent insurance is readily salable. Thus it should not be overlooked by agents. There is a big field for extending an agent's wings in selling rent or rental value insurance.

Checking Up on the Occupational Drift

Insurance companies call attention to the fact that there are many occupational changes these days, men shifting to defense and war work or going into other lines of business than what they have been engaged in before. Some have entered military service. Many of these people are policyholders of different kinds of insurance. Therefore, the companies call attention to the fact that agents should make a careful checkup of their assured before delivering new policies and especially certificates instead of sending in a new policy in place of the old one.

National Bureau Offers Simplified Statistical Plans

NEW YORK—The National Bureau of Casualty & Surety Underwriters is distributing as supplementary pages to the standard statistical plans the simplified codes and coding procedures which have been developed because of the personnel shortage in home offices and the likelihood that current experience will be of little value in formulating rates for 1945, the earliest year for which policy year 1942 could be used.

According to C. G. van der Feen, the National Bureau's statistician, the simplified plan may be used for liability, property damage and collision other than automobile, burglary and plate glass in all states and territorial possessions and for automobile bodily injury and property damage in all states and possessions except Massachusetts and Virginia.

Massachusetts Has Own Plan

The simplification proposal is now being considered by the Virginia authorities. Massachusetts has a separate statistical plan which will continue in effect pending any action by the Massachusetts carriers through the proper organization and submission of proposals to the Massachusetts department.

The simplified plan has been designed to provide the experience needed for review and regulation of the rates for private passenger cars and commercial cars and for review of the general level of rates for other automobile classifications. The tremendously complicated and detailed statistical plans and codes covering liability other than automobile have been temporarily suspended and under the simplified procedure carriers will be required to maintain only a broad segregation of the business by sublines of business, state-wide.

Sweeping Change on Burglary

A complete change has been made in the method of keeping, filing and reporting statistics on burglary coverages. The burglary plan, with its hundreds of separate codes and the required procedure of coding, filing and reporting millions of individual punch cards on a policy year basis, has been superseded by a requirement for only an identification of experience by the major coverages outlined in the burglary manual. These statistics will be filed on a calendar year basis by states. Glass statistics have been simplified by suspending the numerous territorial, classification and zone codes that have been required.

Despite conferences between the stock and mutual carriers' organizations before submission of the plan to the rate regulated states, no agreement could be reached and each group submitted its own plan. In all states which have given their approval, the stock company plan, which eliminates considerably more work than the mutual plan, was the one approved.

Farley Heads N. Y. City Group

NEW YORK—B. E. Farley, London Guarantee & Accident, was elected chairman of the Automobile Casualty Underwriters Association of this city at the annual meeting.

A. J. Victor, Fireman's Fund Indemnity, is vice-chairman, and Norman Webb, General Accident, secretary-treasurer.

Hartford Advances Hibbard

Hartford Accident has appointed R. H. Hibbard field assistant in the agency department. He has been with Hartford since 1923 and for a number of years has been assistant superintendent of the fidelity bond department. He is a graduate of Wesleyan University.

Extend Stock Sales Period

LOS ANGELES—Craftsman Casualty, which has been in process of organ-

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ization for more than a year, and which made application in March for an extension of its permit to sell stock, has been granted such extension to March 24, 1943, by Commissioner Caminetti.

The Insurance Women's Club of Long Beach, Cal., has elected these officers: President, Cora Morgan; vice president,

Irene Clemo; recording secretary, Virginia Newell; corresponding secretary, Gladys Wales; treasurer, Rose Stanley. George Richards talked on civilian defense.

Credit for Premiums Owed by U. S.
NEW YORK — Governor Lehman has approved the Wright bill permitting

companies to take credit for premiums due from the United States government or its instrumentalities even though more than 90 days past due. This takes care of a problem that arose in connection with defense projects. The New York law did not previously allow companies to take credit for premiums more than 90 days past due.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Southern Minn. Agents File Protest on Collision Boost

Protest against the rate increase on automobile collision in Minnesota May 4 was lodged by the Southern Minnesota Agents Regional Association by resolution adopted at a meeting in Lake City. This was one of a series of collision rate increases, the last previous one having been in October, the resolution pointed out. It was stated the May 4 increase would average up to 50 percent increase for 1940, 1939 and older models.

The commissioner and other rating authorities were asked to have the increase rescinded. The agents also objected to classifying country territory in Minnesota for collision rate purposes with the same territory as that of metropolitan centers. They pointed out price freezing of repair parts, substantially less driving in country territory and the lower speeds due to the President's appeal not to drive over 40 miles per hour are important factors which should materially improve the loss record. The resolution stated that Minnesota agents in conferences with local agents in country territories have found the present loss experience is good.

The Southern Minnesota association also sent a letter to authorities requesting consideration be given to the following proposals: That the agents be given the 80 percent collision form with full coverage on losses of \$250 or more; that consideration be given to the safe driver reward plan or a similar plan on collision premiums; that consideration be given to applying business use classifications to collision premiums, such as A-1, and B classifications of the liability coverage with appropriate rate differentials.

President Frank Wachs, Wabasha, presided, assisted by H. W. Zabel, Plainview, secretary-treasurer.

Many Regional Meetings Scheduled in Minnesota

Four regional meetings were held in Minnesota this week. Leonard Zell, Hanover, lectured on the "Law of Agencies" to the Southern Minnesota Regional at Faribault May 19 and on that day also the West Central Regional met at Benson. May 21 the Central Regional met at Brainerd and heard a talk on business interruption insurance by Thomas G. Linnell, Minneapolis general agent. On the same day Commissioner Johnson and Paul Ollinger, Connecticut Fire, addressed the Southwestern Regional at Fulda.

Regional meetings for the last week in May are scheduled at Minneapolis May 25 and at New Ulm, May 27, where Carl Johnson, Crum & Forster, will talk on the engineering forces behind the policy. C. R. Bock, Royal-Liverpool, and K. R. Hingst, American, will explain "The Mechanics of Company Operation" at the meeting of the Twin Cities Suburban Regional while Louis L. Law, London Assurance, will lecture to the Minneapolis Underwriters Association on the Minnesota standard policy.

K. C. Association Has New Executive Secretary

KANSAS CITY — The Insurance Agents Association of Kansas City has appointed John M. Nuckols secretary, following the resignation of Louise Price, executive secretary the past two years. Cliff Johnston has resigned as secretary, but continues as a member of the executive committee. Mr. Nuckols

will handle association activities and serve as secretary of the association's public insurance committee. The committee, appointed two years ago, is servicing an increasing amount of the city's coverage.

Mr. Nuckols, recently with the American Legion of Missouri, was formerly with R. B. Jones & Sons as a broker for seven years. He was at one time in the publishing field.

Sundstrom Finds Many Fires Now Due to Carelessness

W. L. Sundstrom, assistant manager Western Factory, Chicago, at a meeting of the Cincinnati Fire Underwriters Association, said incompetence and carelessness have been responsible for most of the serious fires that have occurred in this country since Pearl Harbor. "This goes to show that employees have not been properly trained in fire protection and fire prevention," he said. He told many ways in which companies and agents can help in the war effort. President West Shell reported on the work local agents are doing in civilian defense, especially fire prevention engineering and lecture work.

Meade Agency Has Fishing Trip

The annual fishing trip of the Meade Investment Company of Topeka was held at Rockaway Beach on Lake Taneycomo in the Missouri Ozarks. In a contest for new business in February, March, April and May, each producer was assigned a quota and all made their quotas. Those from the agency attending were Holmes Meade, Lakin Meade, Charles J. Smith, Joe W. Hull, Arnold W. Falk, John J. Cain, Lloyd Perryman. In addition, C. Claussen, western manager of London & Lancashire, Chicago; C. E. Stiehl, Kansas special agent London & Lancashire; Byron R. Ward, special agent Glen Falls, and Don F. Ellis of the Merriam, Ellis & Benton agency, Kansas City, Kan., attended. The new business produced during the contest was the largest ever recorded.

To Consider Minn. Legislation

MINNEAPOLIS — The legislative committee of the Insurance Federation of Minnesota will meet soon to consider matters that may come before the approaching Minnesota session, which opens in January, 1943. One of the subjects to be discussed will be compulsory automobile liability insurance, which was a threat at the last session. Members of the federation committee feel they should present a constructive plan in opposition to compulsory insurance.

In the last legislature the demand for compulsory insurance was led by members of the Minnesota State Bar Association. This organization holds its annual meeting in St. Paul in June and it is expected another effort will be made at that time to put the bar association on record in favor of compulsory legislation.

Lenke with Cincinnati Agency

A. J. Lenke, former special agent for National Fire at Columbus, O., has become associated with the agency of G. Andrews Espy in the Ingalls building, Cincinnati.

To Advertise on War Damage

MILWAUKEE — Following a report on war risk insurance, the Milwaukee Board voted to sponsor local newspaper advertising at the time the coverage will be available, to inform the public to arrange purchases through members and solicitors of the board. L. C. Hilgemann

is chairman of the committee in charge. President Ralph Martin was instructed to appoint a committee to arrange for the annual outing.

Langlade County Agents Elect

ANTIGO, WIS.—G. S. Vassau was elected president of the Langlade County Association of Insurance Agents at the annual meeting; Mabel Jewell Ramm, vice-president, and Matthew Person, secretary-treasurer. Members of the office staffs and wives of the agents were guests at the dinner which preceded the business session.

Fete Martin Bros. at 50th Year

The Martin Bros. agency of Omaha, which was established in 1869, was honored the other evening by North British & Mercantile for having represented that company 50 years. A dinner was given for eight members of the firm. Representing the company were W. R. Kirk of Chicago, western representative, and State Agent J. R. McLaughlin.

Numerous Minn. Hail Losses

MINNEAPOLIS — Repeating last year's experience of a May hail storm, a large part of southern and western Minnesota was hit by hail May 13 and 14, resulting in close to 200 claims.

Freak Twister in Kansas

A freak twister swept the edge of Dodge City, Kan., completely destroying the chapel of the Convent of St. Marys of the Plains, a girls' school, only five minutes after the chapel had been evacuated except for one sister who was slightly injured. The convent is two miles north of the city, which escaped damage.

Extends Soybean Cover

DES MOINES — Farmers Mutual Hail has extended the coverage on soybeans to include losses up to noon Oct. 1. The hail coverage on the crop previously was covered only until Sept. 20 by the company.

Stock companies cover up to Oct. 20.

Frost Terre Haute President

The Terre Haute (Ind.) Association of Insurance Adjusters & Counsellors at its annual meeting election elected Jack Frost president. He is local manager of Underwriters Adjusting. Louis Phipps, Central Adjusting, was elected vice-president, and James Adamson, attorney, was named secretary-treasurer.

Minn. Adjusters Hear Helm

ST. PAUL — Clyde B. Helm, secretary of the Insurance Federation of Minnesota, addressed the Fire Insurance Adjusters' Club of Minnesota here May 18.

NEWS BRIEFS

J. T. Stewart, II, who for 32 years has been in the automobile agency business, has become associated with Mid-State Underwriters, Inc., Omaha general agency.

The Columbus Association of Casualty & Surety Women has changed its name to **Insurance Women of Columbus**. Membership formerly was limited to women employees of bureau companies but membership is now open to all women actively engaged in fire, life, casualty and surety offices.

W. Oscar Lamb of Harris, Burns & Co. addressed the Insurance Women of Wichita. No dinner meeting is being held this month due to a week-end outing May 23-24 which will be attended by insurance women from Kansas and Oklahoma. Officers will be elected in June.

The Insurance Women of Salina, Kan.,

had a program on "Adjustment of Claims." Election will be June 10.

Doris Phillips, Iowa Insurance Service Bureau, was elected president of the Des Moines Women's Insurance Association at its annual meeting, succeeding Mary Nichols, National Fire. Margie Bradley, Home, and Margie Place, Willis Moore agency, are vice-presidents; Byrle Oaks, Gottlieb & Sons, treasurer; Loraine Cawezell, Jones & Young, corresponding secretary; Helen Corcoran, Western Adjustment, recording secretary.

Norman W. Gilsdorf of the Marine Office of America discussed marine coverage on small crafts and yachts at a meeting of the Cuyahoga County (O.) Board in Cleveland.

Fred C. Brown has been appointed district inspector in Detroit by National Inspection Company. He worked out of the head office in Chicago for eight months and previously was for several years in the western department of Springfield Fire & Marine.

John C. Conley, of Freeport, Ill., has sold his local agency to A. H. Ludolph. Mr. Conley had been in the business since 1936.

Birt P. Bryant of the Bryant Agency, Kennett, Mo., has been appointed on the board of public works there. Mr. Bryant, who has been a local agent for 34 years, has held several county positions, including clerk of the Dunklin county circuit court for 16 years. He is secretary of the Kennett local board.

Cecil Calvert, local agent at Hays, Kans., was named first vice-president of the Kansas Savings & Loan League at the annual meeting in Wichita.

W. O. Hildebrand, secretary Michigan Association of Insurance Agents, will speak at the annual convention of the Michigan Association of Life Underwriters in Bay City on Friday.

C. W. Dunbar, Detroit Fire & Marine, spoke before the Lima (O.) Association of Insurance Agents.

EAST

Ladley Pittsburgh Agents' President

PITTSBURGH — John B. Ladley of W. L. Ladley Sons was elected to succeed Charles A. Reid of Wallace M. Reid & Co. as president of the Pittsburgh Association of Insurance Agents at the annual meeting. Clarence H. Alexander of McCandless, Collingwood & Alexander succeeds Mr. Ladley as vice-president.

Directors re-elected include Albert C. Darragh, W. Ray Thomas of Logue Brothers & Co. and Raymond A. Tucker of Tucker & Johnston. Newly elected directors are Dewey Clark, Frank T. Lauinger Company; Walter B. Felter, Frank P. Fletcher, Pennsylvania Underwriters Association; George H. Hacke, W. B. Dawson Company, and H. W. Schmidt.

Retiring directors are E. Walter Geisler, Fred S. James & Co.; Oliver C. Hurst, Hurst-Anthony Company, A. E. McCloskey, E. W. Murphy and Andrew W. Pardew, W. W. Flanagin & Co.

Resolutions were adopted allowing members in the armed forces to retain the rights and privileges of membership but they will be relieved for the dura-



J. B. Ladley

tion of the obligation to pay dues. The members have pledged that they will refrain from solicitation of business known or found to be on the books of any member who is serving in the armed forces and will render all reasonable assistance in the preservation and conduct of such a member's business.

The new directors reelected Miss Besie M. Snyder secretary-treasurer.

Outline of Pa. Days Program

The pattern for the program of the Pennsylvania Insurance Days gathering in Pittsburgh, June 10-11 has now been determined. The opening feature will be a luncheon June 10 at which a speaker of national prominence will be heard. During the afternoon the program will continue with speakers on war conditions and their effect on insurance. That evening the Insurance Federation of Pennsylvania will hold a business meeting, for discussion of legislation, election of officers and outlining a program for next year.

On the morning of June 11 there will be general sessions covering the work of casualty, life and fire business in the war effort and that afternoon there will be group sessions for life, fire and casualty interests. That evening there will be a banquet with a nationally known speaker, and a dance.

J. N. Jamison, executive vice-president of Reliance Life, is president of the federation. H. S. Bepler is chairman of the general committee for the convention and W. M. Guthrie is assistant chairman. Head of the banquet committee is J. J. O'Donnell; finance, R. C. Kneil; hotel and reservations, R. F. Miller; opening lunch committee, W. K. Estep; reception, John M. Thomas; registration, Sherman Campbell; publicity, Robert Wood; program, Charles H. Bokman; promotion and ticket, E. E. Gangwere.

Homer W. Teamer, secretary of the Federation, is secretary of the general committee.

Seek to Halt Unnecessary Rate Inspections in N. J.

NEW YORK—Because of the mounting shortage of experienced engineers and inspectors the Schedule Rating Office of New Jersey has appealed to company field men to exercise their influence in reducing the number of requests for rate inspections, many of which are made before risks are ready for resurveys.

In addressing its membership the New Jersey Field Club recommends that the special agent or local agent make absolutely certain that recommended improvements in plants have been made before appeal be filed for reinspections.

Changes in occupancy and hazards still justify requests for inspection, but traveling conditions must prompt a thoughtful consideration of the time and wear and tear on transportation facilities before such requests are made, the club declares. In some states, the number of inspections by the rating bureaus are rationed or charged for, but the New Jersey bureau does not want to resort to either of these methods.

Newark Salvage Group Elects

NEWARK—At the annual meeting of the Underwriters Protective Association of Newark, which operates the salvage corps here, all directors and officers were reelected. W. A. Hall, Jr., starts his 19th term as president of the association.

It was reported that fire premiums on risks in Newark last year totaled \$2,587,003, compared with \$2,488,856 in 1940. Losses are estimated at \$875,706 against \$882,313.

Mutual Agency Gathering

A group of agents representing mutual companies gathered in Boston for a conference last Saturday. They were luncheon guests of the Mutual Fire Insurance

Association of New England. The speakers included Joseph D. Sullivan of Boston on "How Legislation Affects the Agent"; M. P. Luthy, Boston, secretary Lumbermen's Mutual Casualty, "Present and Future Possibilities for Agents Selling Mutual Casualty Insurance"; H. M. Wardwell, vice-president Middlesex

Mutual Fire, "Mixed Agency Relationships." The luncheon speaker was M. Williamson, Merchants Mutual Casualty, on "Agents' Responsibilities."

Several speakers in the afternoon talked to the subject, "A New England association for agency selling mutual insurance."

IN THE SOUTHERN STATES

Louisiana Agents Back License Act

NEW ORLEANS — An agency licensing bill, sponsored by the Louisiana Association of Insurance Agents, is to be introduced in the Louisiana legislature. It provides for the creation of the Louisiana insurance examination board to be composed of five members, who will serve for terms ranging from one to five years. Members will be appointed by the governor from a list of 15 agents to be furnished by the Louisiana association, the appointees to be versed in the various forms of insurance.

In addition to such licenses as now required, the bill provides that no person, firm or corporation can engage in the business of insurance (life, health, accident, burial and title insurance excepted) unless licensed by the board.

Applicants who have been engaged in the business for 60 days or more preceding the effective date of the act shall be issued licenses immediately by the board without examination. Others will be required to take a written examination. A manual of questions and answers will be prepared by the board and furnished all applicants, and the examinations shall be based on these questions and answers.

After granting a license, the board, on recommendation of the Louisiana association, and after hearing, may revoke such license in the event the holder has been convicted of a felony, committed fraud or has proved by his conduct that he is unworthy to continue in the occupation of insurance agent, broker or solicitor. All actions of the board are subject to review by the courts.

The license fee will be \$5 per person with a limit of \$15 in the case of firms or corporations with three or more members.

In event of death or disability of licensee or that a licensee has been called to the armed services, the board may issue an emergency license to an applicant without examination if it is established that the emergency license is necessary to preserve the assets of the deceased or licensee called to service.

New Ala. Secretary

M. R. McGruder has now assumed his new duties as executive secretary of the Alabama Association of Insurance Agents. He was appointed to the position just before the annual meeting recently.

Mr. McGruder is a well known insurance journalist and recently had been located in Atlanta, operating as a news correspondent. He is well known in the business and has a real familiarity with all fire and casualty affairs.



M. R. McGruder

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Georgia Agents in Session This Week

ATLANTA—The Georgia Association of Insurance Agents is holding its annual meeting Thursday and Friday. Payne H. Midyette, chairman of the National association executive committee, will be featured on the opening day by R. L. Ellis of Atlanta as state president.

Other items on the Thursday agenda include: H. Pierce North, assistant director B. D. O., also speaks Thursday on "Survival of Local Agents in War Time." An open forum discussion of war risk insurance will be led by "an authority in position to give the latest information."

Charles Murchison, southeastern regional director Office of Civilian Defense, will speak. Commissioner Homer C. Parker will present "A Message to Agents," and Lon Sullivan, manager-secretary of the association, will discuss "Your Association, You and the Future."

Following the afternoon session the association will be guests of the Southeastern Underwriters Association at a barbecue.

Friday morning Miss Lillian Perry, president of the Atlanta Insurance Women's Club, will speak on "Women in Your Business." James A. Berry, president of the Augusta, Ga., Board, will discuss "Local Boards and Public Business." James C. Dunlay, chairman of the Georgia code committee, will explain the "Effect of War on Our Business," and P. M. Lancaster, chairman of the legislative committee, will report on "A License Examining Board for Georgia." Discussion of the new government credit regulations and the report of the national councillor, H. J. Haas of Atlanta, will complete the morning session except for an inspection of Atlanta's new \$28,000 aerial ladder fire truck.

Following a luncheon as guests of the Southern Fire & Marine, a golf tournament will be held, with the annual dinner at the Piedmont Driving Club. Special entertainment is planned for the wives of members.

No Money for School Insurance

KNOXVILLE, TENN.—After the city council failed to make an appropriation to cover premiums on \$254,000 of insurance due May 1, first section up for renewal out of a total of \$1,500,000 on school property in the city, the school board passed the responsibility back to the council on the ground that the budget of the board could not be trimmed to include the amount of the premiums. The school board is insisting that Finance Director Cullum arrange to reinstate the schedule which has

H. A. Brown Deputy Fire Marshal of S. C.

COLUMBIA, S. C.—Henry A. Brown of Columbia, manager of the South Carolina Association of Insurance Agents, has been appointed deputy fire marshal by L. George Benjamin, Jr., insurance commissioner and fire marshal.

Through Mr. Brown's efforts it is planned to organize local fire prevention boards throughout the entire state. Contacts will be made with city officials, fire departments, chambers of commerce, merchants' associations, civic organizations, parent-teacher associations, and public schools.



Henry A. Brown

lapsed. A faction in the city government has been trying to establish self-insurance on all city property and City Manager Webb has given his support to the proposal.

L. D. Finley Returns from St. Paul

Lowery D. Finley, prominent local agent of Norfolk, Va., has returned from a visit to the home office of St. Paul F. & M., where he was entertained in recognition of the fact that he has completed 20 years of representation of that company. Mr. Finley's two sons, who

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were associated with him in the agency, are now in the Coast Guard service. James D. Finley, II, who handled claims work particularly, is a lieutenant junior grade in the Coast Guard stationed in Norfolk as assistant to the captain of the port. Lowery D. Finley, Jr., is an ensign in the Coast Guard.

Plan Newspaper, Radio "Ads"

NEW ORLEANS—Newspaper and radio advertising will be used by the public relations committee of the New Orleans Insurance Exchange to acquaint the public with details of war damage insurance and rates, as soon as the War Damage Corporation announces completion of its plans. A substantial sum of money was voted for this purpose at the May meeting of the exchange.

Give More Va. Program Details

RICHMOND—"Bureaucracy in Government" will be the subject of the talk by Dave E. Satterfield, Jr., Richmond congressman at the banquet of the Virginia Association of Insurance Agents annual meeting here next week. Rice L. Pendleton, life manager of Travelers in Richmond, speaks on "Accident Insurance and Why You Should Sell It." The agents will be welcomed to Richmond by Malcolm Bridges, executive secretary of the Richmond chamber of commerce, with response by Jacob Haun of Woodstock.

Check "Gas" Hoarding in Richmond

RICHMOND—Since gasoline rationing went into effect, the fire prevention bureau of Richmond has caused the arrest of persons who were allegedly storing the fluid in containers not approved by the bureau. In most cases the gasoline had been bought in considerable quantities in advance of the rationing date. The fire department also has been active in checking complaints of illegal storing. Station operators were also cited to court on the charge of selling gasoline in non-approved containers.

Alabama Mutual Agents Elect

BIRMINGHAM, ALA. — Mutual agents of Alabama at their annual meeting have elected these officers: Mrs. E. L. Edwards, Montgomery, president; John Gunn, Montgomery, vice-president; Miss Merdis McEntree, Birmingham, secretary-treasurer. New directors are John Vaughn, Mobile; Ray Schultz, Birmingham; H. H. Pritchett, Tuscaloosa.

R. L. Price National Councillor

R. L. Price of Charlotte, the immediate past president of the North Carolina Association of Insurance Agents, has been elected as the new national councillor by the directors.

Davis Enters Tulsa Agency Firm

Claiborne W. Davis, for many years with the Frates Agency at Tulsa, Okla., enters the firm of Britton & Ewing as a partner under the firm name of Britton & Davis. L. N. Ewing has not been active in the local business since 1936, devoting all his time to operation of the L. N. Ewing general agency for Oklahoma and Kansas.

S. E. U. A. Dates June 15-17

The annual meeting of the Southeastern Underwriters Association will be held at Hot Springs, Va., June 15-17. The executive committee will open its meeting on Monday, June 15, instead of on the previous Saturday as in the past.

NEWS BRIEFS

C. J. Hock, agency supervisor and chief underwriter of Pearl-American fleet, made an extensive agency trip through the north, middle west and southwest, and was honor guest at a stag dinner given by General Agent L. N. Ewing of Oklahoma and Kansas, attended by agents of Pearl in and around Tulsa. Mr. Hock visited Bartlesville, Enid, Oklahoma City, leaving there

Arkansas Visitor



WILLIAM B. REARDEN

W.B. Rearden, executive vice-president of the Loyalty group of Newark, was one of the featured speakers at the annual meeting of the Arkansas Association of Insurance Agents at Hot Springs. He seldom is heard from the platform and hence his observations were listened to with unusual attention.

for Dallas and will call on the Pearl general agents at Austin, Coffman, Daily & Aldridge.

The Beaumont (Tex.) Insurance Exchange held its annual picnic May 15 with about 250 present. Charles T. Smelker of Smelker & Co. was in charge of arrangements.

W. H. Faith, Atlanta agent, was designated to attend the War Department's civilian protection school at the University of Florida, opening May 18. He is deputy chief air raid warden of the Atlanta civilian defense organization.

Employers of members of the Knoxville (Tenn.) Association of Insurance Women were their guests at a dinner meeting at which a skit, "A Day in the Insurance Office," written by Mrs. Carl Worthy, vice-president of the association, was presented.

J. C. Rodgers, Hico, Tex., who has represented Hartford Fire 50 years, was presented a 50-year gold medal by C. A. Woolford, Jr., assistant manager, Dallas.

The agency of Girault & Touchstone, Monroe, La., has been merged with Trousdale & Wright as Trousdale, Wright & Girault. Mr. Touchstone is retiring from the insurance business.

R. S. Davis of Skiatook, Okla., has bought the Cochran agency there. Mrs. Preston Seanor, who operates the Seanor Insurance Co., Fitzgerald, Ga., has purchased the Fitzgerald Realty & Insurance Co.

COAST

Naval Expansion Forces Many Seattle Offices to Move

SEATTLE.—The fire insurance district here faces a drastic shake-up as the result of the requisitioning by the 13th Naval District of 10 of the 23 floors of the Exchange building, which houses the Washington Surveying & Rating Bureau, Washington Examining Bureau, Fire Companies Adjustment Bureau and numerous company offices.

While the order to move applies only to 5th to 15th floors, other tenants are casting about for new office space on

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the theory that it is only a question of time before the entire building will be taken over by the navy.

Biggest problem created by the navy's order is removal of the offices of the Washington Surveying & Rating Bureau, which occupies the entire west wing of the 11th floor. On the same floor also are the offices of the Washington Insurance Examining Bureau, and those of Clarke & Clarke, attorneys for the standard companies.

Printing Equipment Difficult

The rating bureau's problem is a serious one, both from the standpoint of finding sufficient floor space in a centrally-located building, as well as meeting the requirements of its printing department. The bureau has some 45 tons of type and forms in its printing shop. The Exchange building was specially designed to take care of this weight on the west side of the structure, the bureau having leased the space before construction began.

It is possible that the bureau may go back to its old quarters in the Alaska building, which recently was purchased by the New World Life as its home office building and which will be remodeled.

The Fire Companies Adjustment Bureau, on the 16th floor, is not immediately affected by the present removal notice, but there are numerous fire and casualty company offices and a number of large agencies that will be moving. If the navy takes over the entire building it will also affect the Seattle office of Commissioner Sullivan on the 19th floor, as well as the home office of the United Pacific on the fourth. The latter, however, is rapidly making plans to remove its home offices to the newly-acquired Medical Arts building in Tacoma, although it will still maintain its western Washington department and claims offices in Seattle.

Pacific Board Annual Meeting

SAN FRANCISCO — Approval of the simplification of rates for dwelling risks, support for the forest fire protection campaign being conducted in California by the American Legion; consideration of a proposal that the companies adopt renewal certificates and a suggestion that the special dwelling policy be abandoned, were highlights of the annual meeting of the Pacific Board.

Following the presentation of the report of the nominating committee by Charles A. Craft, Pacific Coast manager of Phoenix of London, the following were elected:

H. Clyde Edmundson, vice-president America Fore group, president; John P. Breeden, vice-president Corroon & Reynolds, vice-president; Phil Grossmayer, Portland, Ore.; J. C. Bunyan, California-Commercial Union group; Malcolm Cravens, Cravens, Dargan & Co.; E. V. Oliver, Security of New Haven; W. W. Gilmore, London & Lancashire, and George P. Williams, Providence Washington, executive committee.

U. & O. Form Change Raises Issues

PORTLAND, ORE. — Revised business interruption insurance "per week" forms put into effect in Oregon, Washington and Idaho by the Pacific Board for manufacturing and mercantile risks provide for a maximum recovery of 1/50 of the policy for each week of total shut-down. The old form was limited to 1/52

and unless all existing insurance on the old form is amended to the new, the first time the new form is applied to a risk, embarrassing non-concurrencies may result, it is feared here.

In 1938, when the old "per diem" form was replaced by "per week" form, there was considerable resistance by brokers and agents to the use of the 1/52 fraction without appropriate reduction in rates. It was claimed that in most cases the change from the "per diem" form to the 1/52 weekly form reduced possible recovery by 4 percent. For example, using \$52,000 total insurance, the old "per diem" form permitted use of the fractions, 1/250 when covering a five-day week operation, 1/300 for a six-day week or 1/365 if the operation worked seven days per week. On the five-day week, the company's maximum liability each week would be 5/250 of \$52,000 or \$1,040. For a six-day week the result is the same but for the seven-day week 7/365 of \$52,000 is \$997.26.

Change Limited Recovery

Changing to the "per week" form (which has just been abandoned) limited recovery to 1/52 for each week and in the example, the company's liability would not exceed 1/52 of \$52,000 or \$1,000 per week. This, of course, is a reduction of 4 percent in the weekly limit for total loss on all but seven-day week operations. Using the present 1/50 form, the maximum weekly recovery is 1/50 of \$52,000 or \$1,040, the same as under the old "per diem" form for five- or six-day week operations.

Amendment of existing policies to carry the 1/50 provision will, of course, make it necessary to include the 12 months limitation on stock coverage and in the case of the manufacturing form, the 30-day basic limitation for replacement of raw stock, which changes have been explained by the board in announcing the new forms.

Haerle Talks on War Damage

PORTLAND, ORE.—G. W. Haerle, office manager of Charles W. Sexton Company and past president of the association, spoke on "War Damage Insurance" before the May meeting of the Portland Association of Insurance Agents. He outlined the activities of the federal government to the present time in connection with the projected operation of the War Damage Corporation, and also commented on the activities of the few companies which have continued writing the coverage since Pearl Harbor or have resumed writing after an interlude without it.

Loss \$750,000 on Utah Smelter

SALT LAKE CITY—The International Smelting & Refining Company's plant at Tooele, 35 miles southwest of here, was almost completely destroyed by fire, with estimated loss of \$750,000, fully covered by insurance. Cause is unknown. J. C. Newman, special agent of the FBI here, declined comment on the possibility of sabotage, but said a full investigation would be made. The huge smelter, which treats both lead and copper ores, will be operating again in a short while, officials declared.

Comprehensive Demonstration

SEATTLE—Over 80 a record attendance, heard the sales demonstration on comprehensive liability given by members of the Casualty Insurance Association at a dinner meeting of the King County Insurance Association. On the panel were E. H. Alexander, Hartford Accident, chairman; Sterling Stapp, Travelers; John McKay, Fireman's Fund, and J. Glen Liston, American Surety. It was the 17th and final meeting of a state-wide series sponsored jointly by the casualty group and the Washington Association of Insurance Agents.

Wenatchee Agents to Confer

WENATCHEE, WASH.—Agents in Wenatchee and vicinity will hold a dinner

meeting May 27 at which war problems affecting insurance will be discussed. Fire prevention activities will be covered by E. M. Leonard, America Fore; and John H. Ohrner, Royal-Liverpool groups, as part of the war against waste program.

To Hear Pacific Board Men

SAN FRANCISCO—Following a talk on the functions of the Pacific Board by H. W. Semmelmeier, manager of its public relations department, W. T. Seawell, Jr., president of the Fire Underwriters Forum, has announced that the various heads of departments in the board have been invited to take part in a round table discussion of their own particular duties and responsibilities May 27.

Denver Women Have Party

The fourth annual "bosses" party sponsored by the Insurance Women of Denver was held at Lakewood Country Club this week. Commissioner Kavanaugh of Colorado and Fire Chief Healy were guests and C. V. Beales spoke on civilian defense. There also was a musical program. Corporal Roger Middleworth of Lowry field gave a magic act.

Accountants Hear of Bomb Shelters

Bomb shelters and "what to do in an air raid" were explained to the Insurance Accountants Association of San Francisco by Harold M. Engle, structural engineer of the Pacific Board. Mr. Engle was a member of the committee that surveyed San Francisco buildings to determine their stability for service as bomb shelters.

The association is holding its annual golf tournament May 22, with a fellowship hour and banquet in the evening.

Plan Joint Sales Program

SEATTLE—John T. Breckon, assistant director Business Development Office, will confer here with representa-

tives of the agents' and field men's organizations on the joint sales promotion program to be launched in Washington next fall.

NEWS BRIEFS

Henry Carter, president of Caledonian-American, and Raymond T. Sweeney, United States manager of Caledonian and Netherlands, are visiting the Pacific Coast, spending about two weeks in California.

Eliel & Loeb Co. of California has moved its Los Angeles office to 427 Van Nuys building and no longer is housed with another agency.

Fred K. Jones, Spokane agent, was re-elected governor of Rotary District 101 at the annual conference in Vancouver, B. C. Shortly after his arrival in Vancouver, he suffered a recurrent illness and was confined to a hospital but his condition is not serious.

CANADIAN

Broader Non-Board Dwelling Form in Canada

TORONTO—Announcement is made, through the head office of Massie & Renwick, that non-board fire and casualty companies in Canada have adopted a broader dwelling coverage form which, in some respects, it is claimed is somewhat more liberal than that announced recently for the board companies by the Canadian Underwriters Association. This form is applicable to Ontario and Quebec.

A feature of the form is the automatic reinstatement clause which says: "In the event of partial loss this policy shall be automatically reinstated as from a date 10 days after completion of proofs of loss to the amount in force under the

With values generally increased and conditions changed for many assureds, there is opportunity in every community for the Agent to be of greater service to his clients by inviting their inquiries, studying their latest insurance requirements and providing up-to-date coverage. What assistance the Company lends toward this end, in addition to maintaining a good record for prompt and equitable claims settlements, is important to the Agent.

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item or items affected at the time of the occurrence of the loss unless before such date the company or the insured notifies the other in writing to the contrary. If required, the insured shall, upon request, pay an additional premium for such reinstatement."

The new form covers building fixtures and fittings, frescoes, plate glass, fences, and if the building is not occupied by the owner, fuel, garden or cleaning tools or appliances, anywhere on the premises, but excluding trees, lawns, plants, shrubs and garden improvements in the open.

At the option of the insured, not more than 10 percent of the amount insured may be held to apply to each of the following extensions: (1) On any outbuilding belonging to and used in connection with the dwelling on the premises; (2) on rental income (or if occupied by the owner the rental value) of buildings unfurnished.

At the option of the insured the insurance shall cover personal effects of guests and servants not otherwise insured, the loss to be adjusted with and payable to the name insured.

MOTOR

Seeks Full Details on Fleet Risks

Companies writing automobile insurance are somewhat perturbed by the action of Commissioner Johnson of Minnesota in demanding so much detailed information concerning the writing of fleets. For instance, he insists on receiving the license number of every car in the fleet. He has come out very strongly against the inclusion of cars that are not eligible and has denounced the practice very roundly. Some of the companies have suggested to him that they be allowed to have their agents make a survey and ascertain whether to their knowledge there are ineligible cars insured.

Burden on Personnel

However, the commissioner replies that this will not be satisfactory and asks that the information be obtained. Therefore it will mean that someone will have to go to the state house and secure the license numbers of all those included in a fleet. In these days when office help is much dislocated on account of the war, companies were hoping that state officials would cooperate and not make extraordinary demands on them.

Commissioners, Jesse Jones Confer

NEW YORK—Chairman Harrington of the Insurance Commissioner's executive committee, Commissioner Sullivan of Washington, member of the executive committee, and Superintendent Pink of New York conferred with Jesse Jones and RFC officials at Washington recently on the War Damage Corporation plans. Mr. Pink was appointed at the last executive committee meeting to act as coordinator for the commissioners and the companies in connection with war damage insurance.

Me. Field Men Hear Perkins

Commissioner Perkins was special guest of the Pine Tree State Field Club, at its gathering in Portland, Me., Monday, being introduced by Deputy Commissioner G. R. Whitten.

Conn. Mid-year June 16

The mid-year meeting of the Connecticut Association of Insurance Agents will be held June 16 at Hartford Golf Club. The slogan is "Patterned for War Production."

Lewis H. Haskins, with the Reaume & Silloway agency of Detroit for the past year, has been elected a vice-president.

MARINE

Hedge Tells Extent of Marine Losses

The marine losses of Boston and Old Colony so far this year amount to about \$800,000, President William R. Hedge has advised stockholders. That exceeds by about \$150,000 the profits realized from the marine operations of the companies during the successful years of 1939, '40 and '41. The losses amount to less than 5 percent of the policyholders' surplus of Boston of \$16,499,553 as at Dec. 31, 1941. Mr. Hedge points out that war risk on American hulls has now very largely been taken over by the government and future writings by Boston in this classification will be comparatively small. Boston is continuing to write cargo insurance which so far has shown a profit and the rates have been advanced substantially, commensurate with the increased hazard.

To Endorse Yacht Cover for Charter Under Navy League Plan Without Charge

Under the auspices of the Navy League, pleasure boat owners in Chicago this season are to take navy personnel on board at stated periods during three afternoons each week for experience in handling boats, signal drill, etc. The Navy is to charter these boats for \$1 for the season. The owner or representative of the owner is to be on board whenever the navy men are along.

There was considerable objection voiced to the original proposed terms of the agreement but a new charter form has now been drawn and this appears to be satisfactory to all interests. The leading marine insurance companies and the judge advocate's office were consulted and the marine insurers have agreed that chartering the vessel on these terms will not invalidate the coverage.

So far as protection and indemnity is concerned, the liability of the owner to navy personnel for personal injuries will be the same as his liability to any other guests. At a meeting attended by boat owners it was stated that the owner would probably not be held liable unless he had been guilty of some carelessness.

Under the terms of the charter the owner assumes war, marine and all other risks to the vessel and the owner covenants that he will not at any time make any claim or take any action against the United States government for any loss of or damage to the vessel which occurs or was caused during the period of the charter.

There is another provision that the owner shall indemnify and hold the char-

terer harmless against any liens of whatsoever nature upon the vessel at the time "of her delivery hereunder."

The marine insurers have agreed to endorse their policies to permit this particular chartering without any additional premium charge. It is up to the individual assured to ask for this endorsement and it would be wise for him to do so, because under the policy conditions he is voiding his coverage when he charters the vessel. The protection and indemnity insurance will give the same protection to the owner on account of injuries to the navy personnel as to any other guests.

When the original terms of charter were proposed, the marine insurers felt that they would be taking on considerable added liability and they were disposed to insist upon getting an additional premium charge for any endorsement.

New Field Opened for Air Cover

(CONTINUED FROM PAGE 20)

ing from or arising in consequence of the act of any enemy of the United States, the approved aircraft or its occupant being shot at or bombed by any persons whatsoever, the participation of the aircraft or occupant in actual hostilities, or insurrections, strike, riot or civil war.

Standard aviation commission will be allowed on this business, which is 10 percent to agents and brokers and 15 percent to bona fide general agents of one of the three insurers. Each pilot is covered by a post card size certificate which is validated upon receipt from the pilot by the agent and aviation underwriter's manager.

CAP will not permit a pilot to operate a plane under its operation orders unless he possesses a valid certificate under the master policy. He must have at least a private pilot's license. Each pilot who is enrolled must carry the P.L. and P.D. He must, if liability to passengers is to be covered, have had 150 hours solo flying of which 50 hours were cross country and 10 hours in the prior six months. Student pilots may serve as observers, radio operators or mechanics.

Five Copies of Certificate

Certificates are made up in sets of five, the top or original being the one that is validated and mailed to the insured pilot. The certificates are prepared by the agent and require only one operation on a typewriter, including pilot's name and address, name and address of wing commander, date and amount of premium, agent's name and address. Copy number 2 goes to the home office, number 3 to CAP, number 4 is retained by the agent, and number 5 is a receipt which goes to the pilot after he pays the premium. The latter is not a binder.

About 35,000 pilots have applied for



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enrollment in CAP, of whom approximately 90 percent have been approved. It is estimated 60,000 private pilots eventually will participate in the plan.

There is a wing commander in each state who has under him local group and squadron commanders. Each plane used for the patrol work bears special insignia. It is possible these planes will have no means of offense or defense but will be used purely for observation purposes. However, for the coastal work a small torpedo or bomb may be carried.

Annual Charge About \$25

The annual premium to be charged after Sept. 2 has not been indicated but from the short term scale shown it appears it will be about \$25. This will be borne by the pilot or plane owner or both, who are on a purely volunteer basis.

It would seem the patrol work, especially along coastal areas, would involve more than normal flying hazards and therefore the aviation companies may call for an extra premium on hull coverage on planes used for this purpose. This however has not yet been indicated by the underwriters.

After a considerable period of delay during which it looked at times as if the whole idea of a civilian aviation patrol might be abandoned, it has now been definitely decided to go ahead with plans for the government sponsored Civil Air Patrol.

The number of students may be doubled by the end of the year. The insurance market thus provided should help offset losses in premiums resulting from curtailment of civilian flying because of wartime restrictions, from the cut in commercial airline premiums due to the government's having taken over about half of the lines' fleets, and from the government's taking delivery of planes before construction, thereby virtually eliminating manufacturers hull coverages. Insurance on airline planes taken over is on the government's cost-plus insurance plan, under which underwriters see scant chance of profit and feel they will be lucky to break even.

As with the insurance provided under the civilian pilot training program, coverage is written by Aero, Associated, Employers Liability, and United States Aviation.

Standard Commissions Paid

Prior to the expiration of the master CAP policy on Sept. 2, producers will be notified as to its extension or renewal.

Because of wartime restrictions on civilian flying abandonment of the CAP plan would have pretty well killed off civilian non-commercial flying for the duration of the war. Extension of the CAP will permit civilian flying to continue. It is probable that little such flying will be done outside of the CAP. Aviation underwriters hope that the definite assurance that the CAP program

is going ahead full blast will head off the cancellations of insurance that have been coming through in greater numbers in recent weeks. While not all owners will want to join up with the CAP many who do not do so will undoubtedly sell their planes to other pilots or otherwise make these craft available to CAP.

Socialization of Disability Is Seen

(CONTINUED FROM PAGE 20)

so far as insurance is concerned, it is the policyholders that are most keenly interested, and that ways and means should be found to inform the public as to the significance of any broadening of the social security law with the necessary increase in social security taxation.

It was pointed out that if the social security act were broadened so as to provide social health insurance and hospitalization benefits, some types of insurance now issued by private companies probably would be entirely eliminated and other types seriously curtailed.

The chairman was directed to appoint a committee to act in behalf of all insurance interests of the Illinois chamber in guiding and directing any proposed legislation insofar as possible along lines that would properly serve and protect the interests of the public.

Consideration was also given to the rapidly reducing forces of all insurance organizations due to the increasing number of men going into military life both by enlistment and through the selective service act. It was recommended that proper steps be taken to emphasize to the insurance department officials of all of the states the importance and the need of eliminating all unnecessary requirements in the way of questionnaires, reports, etc., at least for the duration.

It was pointed out that Paul F. Jones, director of insurance of Illinois, has shown his willingness to cooperate along these lines and that the suggestion might well be passed along to the commissioners in other states who undoubtedly are willing to show similar cooperation.

Strong Legislative Program Planned

(CONTINUED FROM PAGE 1)

adjusters. It was placed on the ballot for referendum at the next general election by petitions circulated immediately after its passage.

Throughout the entire development of the War Damage Corporation program the thought of agents has been the

proper handling and servicing of this business as a service to the country in time of emergency, Will S. Keese, Jr., Chattanooga, Tenn., said. Mr. Keese represented the National association as a member of its executive committee.

Mr. Keese discussed several other subjects of national agency interest, including modification of commissions and ex-



WILL S. KEESE, JR.

penses. He said that in the 17 years he has been in the business he has seen every new form of insurance offered carry with it a lower commission: Inland marine, factory association, I.U.B. form, and aviation. He does not object to this personally because for a long while he has felt that some commissions are too high. High commissions invite commission seekers, and these merely skim off the cream, while not rendering a service therefor. These are the purely mortgage banker agent, auto dealer agent, finance dealer agent, etc.

This business cannot much longer stand a continuation of a 50 percent expense ratio, he asserted. Agents had better begin thinking and doing something about it before it is done for them. The problem is a complex one and one that must be settled, possibly on a middle ground between those producers who do not want any change and those companies who would relegate to the junk heap any commission on a premium over \$5,000. The trend is toward lower commission, as in the war department plan, equity rating, retrospective rating. Facing reality, agents should arrive at a formula fair to all concerned.

A boom period will follow the conclusion of the war, William B. Rearden, executive vice-president of Firemen's of Newark, stated in his discussion of "After the War—What Then?"



AMERICA NEEDS FIGHTERS NOT only in planes—but in plants. And in production!

And now—as for two centuries past—America can count on insurance in time of crisis.

Again today, America needs men whose insurance experience can help fight the avoidable damages, delays and losses that might cut into all-out production.

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AD 1841

As after the last war, there will be a rapid increase in building construction and a huge demand for raw materials to manufacture goods. In the 10 years following the war the country will need 13,000,000 new homes since by 1945, 30 percent of the approximately 40,000,000 dwelling units in this country will be 50 years old, and it is likely that thousands of the small homes being constructed for defense workers will be useless after the emergency.

Another estimate is that there will be \$10,000,000,000 in accumulated shortages of durable consumer goods and industrial equipment by the end of 1942. This figure will be \$25,000,000,000 or more by the end of 1943. At the end of the war great improvements will be ready in automobiles, aircraft, communications and transportation equipment, and they will take up economic slack. Public works, subsidies such as farm benefit payments, social security, W.P.A., etc., will likely continue; America will help reconstruct Europe; importing and exporting of goods will increase.

Premiums Will Increase

All this should increase premiums in every state, including those which have few if any war industries. The agent will find prospective clients among all concerns and individuals active in this rehabilitation movement, and all lines will be in great demand.

OPTIMISM FOR FUTURE

Private industry will not be caught again in the whirl of inventory inflation as in 1920-21, Mr. Rearden believes. He does not look for an unbridled speculative period. Almost all industrial companies are setting aside out of present earning power large reserves with which to write down inventories to the current market after the war. Any losses which must be taken then are being absorbed now out of profits which are derived from conditions which necessitate the piling up of those inventories. The annual reports of 1941 and quarterly reports for the first three months of 1942 show huge sums being deducted from current earnings to establish reserves for all types of contingencies, for conversion of plants to normal peace time use, for unemployment and wage payments, etc.

Private Enterprise Will Survive

Mr. Rearden thinks the democratic form of government will survive. The war is being fought to preserve the American way of life, including the present form of government and private enterprise. Private enterprise has done a remarkable job in its conversion from peace to war production, proving that it can meet any emergency and out-produce any other system. While the government has financed war plants, these have been freely turned over to private enterprise for operation. There is no indication that the government will take over the railroads, as was done during the last war.

A medium of exchange and a system of goods distribution will be established between countries that will obviate some of the irritations that led to the present war, he said.

Without adequate insurance to protect credit, reconstruction would be greatly curtailed. Consequently the agent has an important part in the future, and he should be prepared.

Secretary Mitchener's Report

Total membership in the association is 192, a gain of three, C. C. Mitchener, secretary-manager reported. The organization is in good financial condition, and \$869 of its increased income the past year came from donations of commissions on qualifying bonds. The association has decided not to hold its annual school this year because of the war, and while this is a great disappointment to many agents, it will be resumed when conditions warrant it. In his 23 years as secretary-treasurer Mr. Mitchener has not missed a meeting.

At the outset of the Arkansas work-

men's compensation act late in 1940 compensation authorities of the carriers and the federal department of labor estimated that approximately 12,000 accident reports would be filed with the commission during the first year of operation. After almost thirteen months of operation, the commission had received 25,046 reports of accidents, W. J. Smith, member of the commission, said. About 35 percent of all reported accidents represented compensable claims. This unexpected volume of reports and claims can be attributed largely to war activities.

Hold Down Adjudication

Compromises are not authorized under the act and are not recognized by the commission as a method of claim settlement, he said. This has gone far in eliminating nuisance values and manufactured defenses. Adjudication by the commission was required in only 409 cases out of 25,046.

To facilitate the work of procuring compliance with the act the commission has set up an insurance coverage division which has met with a great deal of success. More than 400 employers obtained insurance as the result of the division's activities during 1941. In Benton county the estimated percentage of coverage of all employers subject to the act was raised from 75 to 96; Arkansas county, 84 to 93 percent and so on.

On May 11, 1942, the Arkansas supreme court held, in the case of Young vs. Tarlton McDonald Construction Company, that the workmen's compensation act is constitutional.

Cockrill Tells of Accident Sales

Sterling R. Cockrill of the Cockrill Agency, Little Rock, said that in selling accident insurance, he is concerned with three things: Why a man needs accident insurance, an explanation of the policy he is trying to sell, and a determined attempt to sell him today. The latter may be motivation or closing, but to Mr. Cockrill it is simply "getting that application in one way or another—now."

W. Carter of the Carter Agency, Monticello, Ark., discussed some of the things he has done to build his own business and at the same time get in balances.

Other Speakers

Speakers included O. Clayton Smith, president of the Hot Springs Exchange, who welcomed the visitors; Clyde Marshall, state agent Phoenix of Hartford, who extended greetings from the field men; Fred C. Crowell of the Insurance Field, and L. F. Keegan, manager of the Compensation Rating Bureau, who explained the experience rating plan.

The nominations committee was headed by W. E. Silliman, Camden; resolutions, Allan Kennedy, Fort Smith; president's report, Sterling Frank, Dumas; secretary's report, Eric Rogers, Jr. Memorials were adopted for Ronald Gardner, Fort Smith; J. B. Clark, Blytheville; Fred C. Burnett, Russellville; and John Ricks, Little Rock.

R. R. Clark Now Is Head of W. A. Muller & Co.

(CONTINUED FROM PAGE 3)

office in Hartford in an executive capacity, later becoming United States manager.

Mr. Clark is well known in insurance

circles in Boston and throughout the United States, which he has visited widely in the course of his business career. He intends to maintain his home in West Hartford, Conn., and will commute weekly to the Muller office in Boston.

Vital War Role Is N.F.P.A. Theme

(CONTINUED FROM PAGE 3)

ditions found on the Atlantic coast, but praised the advances which had been made by the gulf states in protecting pier and wharf properties from fire.

"Our ports and harbors are our bottlenecks. They must not be blocked or impeded," the admiral declared. "If they are, our tremendous training and production efforts would largely go for naught." Although the safeguarding of all vessels, ports, harbors, and waterfronts facilities is placed squarely upon the coast guard, it is a private responsibility as well. "Each privately owned waterfront, pier, or other facility is now vested with a public interest. Its loss by fire or other means is a national loss rather than merely a private loss, for the nation needs these facilities."

Fire Most Serious Hazard

"We all realize," concluded the admiral, "that fire is the most serious hazard to be combatted. Fires may be caused by accident, by negligence, or by sabotage. But irrespective of the cause, the same results of depriving the nation of the use of necessary facilities is achieved. Port security, therefore, can only be effective if all possible precautions are taken to prevent fires from any cause, and to combat and limit fires which may nonetheless result."


President Alvah Small, president Underwriters Laboratories, stressed the importance of the development of standards by the N.F.P.A. for the technical or engineering phases of fire waste control and its educational work. The present national emergency finds the association prepared.

Public's Concern Awakened

Percy Bugbee, N.F.P.A. general manager, pointed out four major factors responsible for the public's awakening in fire control. Tremendous public attention is being given to the threat of air raid attacks with incendiary bombs and the training of hundreds of thousands of volunteer civilian defense workers in the control of incendiary bombs and the fires started by them. A second important factor is the widespread warning circulated through the country by the Federal Bureau of Investigation and others of the possibility of serious sabotage efforts by foreign agents. A third factor has been the series of disastrous fires which have destroyed essential war goods. The fourth important factor has been the launching of the nation-wide conservation program brought home to the public by the idea that even the burning of waste material is unpatriotic and undesirable.

Must Protect Wharves

"Perhaps the problem of greatest concern with respect to concentration of values and possible serious fires is the problem of the protection of our piers and wharves," Mr. Bugbee declared. "The failure of public and



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private owners of piers to adequately protect them is brought home to us today when we realize the enormous concentration of essential materials overloading our piers and the serious possibility of destruction by fire."

George Angell of the War Production Board defended the substitutes ordered for the manufacture of fire hose and other protection appliances.

"The shortage of rubber made necessary a drastic reduction of that material in the construction of fire hose. We did not draft emergency specifications because we wanted to, but because we had to if enormous quantities of fire hose are to be made." The new hose is comparable with the usual quality long manufactured as the well-known "mill" grade, and should give suitable service for several years, he said.

Explains Use of Substitutes

Fire hose couplings are now made of malleable iron, soda-acid extinguishers are replaced with steel-bodied pump tanks, and steamer connections are made of cast-iron, only because conservation demanded. Copper alloys are still available for the construction of sprinkler heads, fire pump impellers, and other parts in which substitution would have resulted in inferior equipment, Mr. Angell pointed out.

John A. Neale, chief engineer Underwriters' Laboratories, Chicago, amplified the points brought out by Mr. Angell and Harry Jordan, secretary of American Water Works Association. Mr. Jordan took especial pains to point out that "In the present form of organization of the War Production Board, the various utility services, electricity, gas, water supply and public sanitation are not, as many assume, set off among the various consumer groups. They are, instead, included as a part of the materials division. Along with the integration of production of steel and iron products, copper, aluminum, and the other basic commodities that go into the implements of war, water, sanitation, gas and power supply are considered to be materials of war—not avenues of civilian consumption. This is an excellent and proper setting for these services—for they are actually war materials."

Three Closed Sessions

Three closed sessions, from which all but accredited N.F.P.A. members were excluded, were held during the four-day convention, each of them attracting capacity audiences and being voted remarkable for their timeliness and the highly informative material made available to the members by the speakers. No record of the proceedings was made, but speakers included Lee R. Pennington of the Federal Bureau of Investigation; Blayne F. Matthews, director of plant protection for Warner Brothers' Studio, Burbank, Cal.; Lt.-Col. Carl G. Richmond, U. S. Army Corps of Engineers, Rear Admiral Howard L. Vickery, vice-chairman U. S. Maritime Commission; Winthrop M. Jones, chief engineer Factory Insurance Association, and R. E. Wilson, associate manager National Bureau for Industrial Protection. One closed session was devoted exclusively to a state fire co-ordinators' forum.

Dr. David J. Price, the new N.F.P.A. president, is principal chemical engineer of the U. S. Department of Agricul-

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 18, 1942.

Par.	Div.	Bid	Asked
Aetna Cas. 10	5.80*	111	116
Aetna Fire 10	1.80*	45 1/2	47 1/2
Aetna Life 10	1.40*	23	24 1/2
Amer. Alliance. 10	1.20*	16 1/2	18
Amer. Equitable 5	1.00	14	15 1/2
Amer. Home.... 10	...	6	8
Amer. (N. J.)... 2.50	.60*	11 1/2	12 1/2
Amer. Surety... 25	2.50	44	46
Automobile 10	1.40*	30	32
Boston 100	21.00	475	500
Camden Fire... 5	1.00	16	17 1/2
Carolina 10	1.40*	22 1/2	25
Contl. Cas. 5	1.50*	27	28 1/2
Contl. N. Y. ... 2.50	2.20*	34 1/2	36
Fidelity-Phen... 2.50	2.20*	34 1/2	36
Fire Assn. 10	2.50*	44	46
Firemen's (N.J.) 5	.40	8 1/2	9 1/2
Franklin Fire... 5	1.40*	21 1/2	23
Gen. Reinsur... 5	2.00	37	39
Georgia Home... 10	1.20*	20 1/2	23
Glens Falls 5	1.60	34	36
Globe & Repub. 5	.50*	7	8
Gt. Amer. Fire... 5	1.20*	21 1/2	23
Gt. Amer. Ind... 1	.20	9 1/2	10 1/2
Hanover Fire... 10	1.20	19	20 1/2
Hartford Fire... 10	2.50*	78	81
Home (N. Y.)... 5	1.60*	24	26
Ins. Co. of N. A. 10	3.00*	58 1/2	60
Maryland Cas... 1	...	1 1/2	2 1/4
Mass. Bonding... 12.50	3.50*	50	52
Mer. (N.Y.) Com. 5	2.00*	40	43
Natl. Cas. 10	1.00	17 1/2	19
Natl. Fire 10	2.00	48	50
Natl. Liberty... 2	.40	6	6 3/4
Natl. Un. Fire... 20	5.00*	130	136
New Amst. Cas. 2	.87 1/2	16 1/2	17 1/2
New Hampshire 10	1.80*	38	40
Northern (N.Y.) 12.50	5.00*	71	75
North River... 2.50	1.00	18 1/2	20
Phoenix, Conn... 10	3.00*	73	76
Preferred Accl... 5	1.00	11 1/2	12 1/2
Prov. Wash. 10	1.40*	28	30
St. Paul, F. & M. 62.50	10.00*	222	230
Security, Conn... 10	1.40	32	34
Sprgfd. F. & M. 25	4.75*	99	103
Standard Accl... 10	2.50	43	45
Travelers 100	16.00	332	342
U. S. Fire 4	2.00	39	41
U. S. F. & G... 2	1.25*	22	23

*Includes extras.

ture's chemistry and engineering bureau. He has been active in fire prevention circles for many years, especially in farm fire protection and in control of dust explosion hazards on which he is the outstanding authority.

Insist on Cash With "App" for Bombardment Cover

TORONTO—It is revealed in a bill which has been considered by the House of Commons banking and commerce committee that war risk insurance policies are to be issued on a cash premium basis under terms of the government bill.

"This is a type of insurance that should not be left until bombers are overhead," said T. D'Arcy Leonard, Toronto lawyer, who prepared the bill. Persons wanting war risk insurance should buy it immediately it becomes available and not wait until there is a bombardment. He was replying to committee members who questioned the justice of a clause providing that policies are in force only after the premium has been paid.

Mr. Leonard said it was hoped the

war risk insurance facilities would be in operation by July 1, when U. S. war insurance is expected to become effective.

Meanwhile all policies may be retroactive to cover possible loss before the act comes into operation, and the free insurance for householders up to \$3,000 to be provided by the government is effective from last Dec. 24.

According to E. L. Miller, president of the Nova Scotia Board of Fire Underwriters, who has been attending meetings between representatives of fire insurance companies and J. L. Hsley

at Ottawa in connection with bombardment insurance, discussions included the following recommendations: That valuation be fixed before insuring; that insurance be placed along present lines; that payment should be by contract insurance; that bombardment insurance should be compulsory; that underground shelters should be insurable; and that money and negotiable instruments should be insurable.

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